ALLIANCE

Task Force on Climate-Related Financial Disclosures Report

2022

Contents

AN ALLIANCE OF PEOPLE, PARTNERS AND BRANDS, **WORKING TOGETHER TO ACHIEVE MORE**

Introduction

We recognise that we have a role to play in reducing our environmental impact and our contribution to climate change.

Whilst there is currently no requirement for us to comply with the mandatory disclosure requirements of TCFD, we welcome the recommendations, and having published partial disclosures in our 2021 Annual Report, we are pleased to report voluntarily on our progress in 2022, in integrating climate considerations into our existing business strategy and risk management processes. This has been done through the inclusion of extended voluntary disclosures in our 2022 Annual Report (pages 35-39) and the publication of this supplementary stand-alone TCFD Report, which provides more detail around the risks and opportunities we face as a business as a result of climate change and how we plan to address these.

During 2022 we worked with an external ESG consultancy, to support us with the evaluation of our business from a TCFD perspective. We undertook the analysis and risk evaluation required, to assess our exposure to climate-related risks, considering both our own operations and the locations of our key supply partners.

As a result of this process, and the associated climate risk review, we concluded that we should be recognising the impact of climate change as a principal risk, and the impact of climate change was therefore added to our Principal Risks and Uncertainties coverage in 2022. More information can be found on pages 47-52 of our 2022 Annual Report.

The TCFD process has been a valuable learning experience for us. We included our own operational sites, and our larger contract manufacturers (CMOs), enabling us to make use of insights gained in relation to the resilience of our supply chain through COVID, and disruptions to global supply chains due to the war in Ukraine, in our assessment of both physical and transition risks.

In 2023, we will be looking to deepen our relationships with our partners, to support the mutual dissemination of knowledge around climate risks and opportunities. Also, to better understand their emissions management strategies, as a precursor to developing our Scope 3 emissions targets. In addition, we will extend our climate risk analysis, to include other key partners in our value chain.

Our progress in 2022 included:

- Conducting climate scenario analysis, to assess the impact of climate-related risks and opportunities on our operations and larger CMOs.
- Calculating our full 2022 carbon balance sheet, covering Scope 1, 2 and 3 carbon emissions.
- Setting a target to be net zero in Scope 1 and 2 by 2030, with an interim target of 65% reduction by 2025, based on a 2018 baseline.
- Delivering a 26% reduction in our Scope 1 and 2 emissions in 2022, versus 2021.
- Developed a detailed understanding of the constituents of our packaging estate (primary & secondary) and the steps we need to take, to promote circularity and reduce our use of single-use plastics.

TCFD Framework

We are aware that to reduce the impact of climate change, we must limit global warming to well below 2°C (above pre-industrial times) by 2100, as outlined in the Paris Agreement. To help achieve this ambition, the UK Government is committed to reaching net-zero carbon emissions by 2050. This relies on all sectors of the economy, to support them on this journey. The Financial Stability Board's Task Force on Climate-Related Financial Disclosures (TCFD) has been mandated by the government, for many large companies, to assess and understand the financial impact of climate change on their business. Whilst we are currently outside the scope of the mandatory disclosure requirements, we consider it helpful to our shareholders and other stakeholders to make these disclosures, insofar as we are able to, on a voluntary basis.

With consideration of the TCFD guidance, we understand that our operations may be impacted by a range of challenges because of climate change. To ensure our long-term business strategy remains resilient to these challenges, we first must understand them. The Taskforce on climate-related financial disclosures have created a TCFD framework, to be used as a tool by companies to understand, identify and assess the impact of climate change on its operations, business strategy and financial planning.

The TCFD framework follows 11 recommended disclosures, spanning four themes, representing core business elements: **Governance, Strategy, Risk Management and Metrics & Targets.** This framework supports Alliance in identifying and assessing the impact of climate-related risks and opportunities on our business and communicating our ability to manage this impact to our stakeholders. Developing our TCFD reporting, ensures that climate change is considered throughout our core business functions. In the **Governance** section on page 7, we discuss the progress we have made to embed climate change into our existing governance structures.

In 2022, we partnered with an external ESG consultancy, to support us in the identification and assessment of climate-related risks and opportunities, on our business operations in the short (2022-2025), medium (2025-2035) and long-term (2035-2050). Climate change presents two different types of risks to our business: physical risks and transition risks. Physical risks are the risk associated with the physical impact of climate change, which are grouped into acute (event driven) and chronic (long-term change in patterns). Transition risks are the risks associated with the transition to a decarbonised economy.

Transition risks span across the themes of policy & legal, market, reputation and technology. The climate-related risks and opportunities we have identified are detailed on page 11 in the **Strategy** section.

The processes for how we identify, assess, appraise and address climate-related risks and opportunities can be found on page 26 in the **Risk Management** section, along with detail of risk mitigation and opportunity management. We have outlined the methods we use to measure and manage our impact on page 32, in the **Metrics & Targets** section of this report.

About Us

Alliance is a growing consumer healthcare company. Our purpose is to empower people to make a positive difference to their health and wellbeing by making our trusted and proven brands available around the world.

We deliver organic growth through investing in our priority brands and channels, in related innovation, and through selective geographic expansion to increase the reach of our brands. Periodically, we may look to enhance our organic growth through selective, complementary acquisitions.

Headquartered in the UK, the Group employs around 285 people based in locations across Europe, North America, and the Asia Pacific region. By outsourcing our manufacturing and logistics we remain asset-light and focused on maximising the value we can bring, both to our stakeholders and to our brands.

Our Vision
To be a high performing consumer healthcare company, built on a portfolio of leading, trusted and proven brands.

Our Purpose
We empower people to make a positive difference to their health and wellbeing.

Our Values

- Performance
- Realism
- Accountability
- Integrity
- Skill
- Entrepreneurship

Our Business Strategy

Throughout this year we have refined our purpose, vision and strategy to align with our transformation to a predominantly consumer healthcare company. We have also worked to evolve our strategy to better position the Company for the years ahead, and in response to changing underlying market dynamics. Our previous strategy focused on delivering organic growth in our key brands (broadly defined as our larger Consumer Healthcare brands) and complementary acquisitions, focused in the Consumer Healthcare space, whereas our updated strategy provides a more targeted approach.

We have now identified the key categories in which we want to focus, both from a category and geographical perspective, which allows for a clearer definition of the acquisitions we will seek. Our strategy will now focus on the global priority categories of helping damaged skin and supporting healthy ageing. More information on our revised strategy can be found in our 2022 Annual Report on pages 12-17.

Our Business Model

The platform we have created across EMEA, APAC and AMER enables us to both drive the growth of our existing brands and to selectively acquire and integrate new assets with ease. This is how we create value and execute our growth strategy.

The key capabilities, expertise and relationships that enable us to drive value creation are centred around our commercial activities and the brand-specific support functions which underpin these.

Commercial Activities:

- Global Marketing
- Distributor network
- E-commerce capability
- Innovation & development capability

Brand-specific activities:

- Regulatory expertise
- Medical/claims expertise
- Supply chain management

CEO Statement

"It gives me great pleasure to introduce Alliance's first voluntary standalone TCFD Report. Here you will find additional detail around the progress we have made during 2022 in understanding and assessing the impact of climate change on our operations.

Environmental considerations, including climate action, continue to be a major focus, as we put in place targets for reducing our direct carbon emissions and increased our understanding of the emissions that lie outside our direct control. We recognise that climate change poses potential risks and opportunities which may impact the success of our business. During the course of the year, we have worked to improve our understanding of climate change and the risks and opportunities it presents. Undertaking the climate scenario analysis, and risk assessment required by the TCFD, has served to increase our understanding of the business risks we may face because of climate change.

Whilst 2022 may have been a challenging year for Alliance, our commitment to minimising the negative impacts of our operations on the environment remains strong."

Peter Butterfield, CEO

Our Progress

2022 progress

- Offset Scope 1 and 2 UK emissions for 2021
- Set Scope 1 and 2 net zero targets
- Commenced initial engagement ('fact find') with all our CMOs and our top 10 logistics partners, to establish where they are on their climate change journeys.
- Undertook scenario analysis and risk assessment, to support publication of our first stand-alone TCFD report and extended voluntary disclosures.
- Gained greater understanding of the constituents of our packaging estate (primary & secondary) and the steps we need to take, to promote circularity and reduce our use of single-use plastics; initiated pilot projects to further develop our understanding in this area.

Focus for 2023

- Continuing to work towards developing our Scope 3 emissions reduction targets.
- Subject to receipt of all required permissions and consents, we intend to progress with the installation of the solar PV panels at our Chippenham HQ site.
- Embedding ownership of product-related emissions within the appropriate functional areas of the business.
- Continual improvements to methodologies, to increase the accuracy of emissions measurement across all categories.
- Continuing to develop our packaging strategy, confirming and publishing sustainability improvement targets for both primary & secondary packaging.

Our Net Zero Journey

2018 – Baseline year.

2019 – Energy efficiency and environmental improvements implemented at our Chippenham office HQ.

2020 - Energy efficiency and environmental improvements implemented at our Chippenham office HQ.

2021 - Calculated our full carbon footprint for the first time, using 2020 data.

2022 – Set targets to reduce our Scope 1 and 2 carbon emissions.

2023 – Install solar PV at our Chippenham HQ site (subject to receipt of all required consents).

2023 – Finalise our carbon action plan and set targets for selected categories of Scope 3 emissions.

2025 - Interim target, with a 65% reduction in Scope 1 and 2 carbon emissions.

2030 – Net zero target (absolute 90% reduction) for Scope 1 and 2 carbon emissions.

Governance

Disclose the organisation's governance around climate-related risks and opportunities.

Responsibility for Climate-related Risks and Opportunities

Good governance practice remains a priority for the Alliance Board, as we continue to work together to deliver value for our stakeholders. Climate governance has been integrated into the existing corporate governance structures, with the Board having overall responsibility for Alliance's response to climate change.

Board-level oversight

The Board's role is to provide oversight on climate-related risks and opportunities, ensuring suitable management processes are integrated into future financial planning, business strategy and operations. The Board is responsible for signing off on carbon reduction targets and ultimately our journey to net zero. In September 2022, the Board set a target to be net-zero for our Scope 1 and 2 emissions by 2030, with an interim reduction target of 65% by 2025. The Board ensures Alliance's ESG and climate action is progressing in line with stakeholder expectations. Peter Butterfield (CEO) is the Board Director responsible for sustainability and ensuring communication between stakeholders, the Board, management and employees is ongoing. In addressing this, feedback from our stakeholders and an external gap analysis have been used to identify the topics most important to our business. This analysis informed the development of our Sustainability Framework in 2021, which provides greater clarity regarding our specific focus areas and the key activities underpinning these.

More information on our Sustainability Framework and the progress we've made in delivering against this in 2022 can be found on pages 29-30 of our 2022 Annual Report, and in our Online Sustainability Report.
We recognise the Board may require additional information, to support them in their role of making informed decisions. In January 2023, we held a capability building session for our Board members around climate-related risks and opportunities. This was in addition to a previous Board training session on net-zero and carbon reduction, which was held in April 2022, in preparation for the establishment of our Scope 1 and 2 carbon reduction targets.

To fulfil its oversight obligation and ensure appropriate attention is dedicated to sustainability, including climate change, the Board established a specific ESG Board Committee in 2021. This has formalised our approach to sustainability and strengthened our governance processes. More information about the ESG Committee and its activities throughout the year can be found on pages 86 and 87 of our 2022 Annual Report.

Responsibility for Climate-related Risks and Opportunities continued

Table 1: Overview of Alliance Board of Directors responsibilities with regard to climate change (as at 31 December 2022).

Board Member	Role & Responsibility
David Cook Independent Non-executive Chairman. David joined the Board of Alliance as a Non-executive Director in 2014 and was appointed Chairman of the Board on 1 March 2018.	• Primary responsibility for leading the Board and facilitating the effective contribution of all members to meetings. • Maintains a strong focus on governance, including our developing climate governance structures, ensuring good practice is embedded in the business, with good flows in communication and reporting. • Chairs the ESG Committee, to ensure the Board fulfils its role of oversight and responsibility for climate-related issues.
Peter Butterfield CEO Peter was previously the Company's Deputy Chief Executive Officer and was appointed to his present office as Chief Executive Officer on 1 May 2018 having joined Alliance in 2010 as an Executive Director.	• Executive responsible for Alliance's ESG and climate action. • Responsible for the day-to-day running of the business and implementation of the Group's strategy. • Oversees the development of Alliance's TCFD reporting and the assessment of climate-related risks and opportunities.
Andrew Franklin CFO Andrew joined Alliance in September 2015 as the Chief Financial Officer.	• Ensures climate change is considered in long term business strategy and financial planning. • Ensures Alliance complies with current and emerging ESG regulations because of climate change.
Jo LeCouilliard Independent Non-executive Director. Jo joined Alliance as a Non-executive Director on 1 January 2019.	• Members of the Board ESG Committee. • Responsible for making informed decisions on Alliance's sustainability framework including the Scope 1 and 2 carbon reduction targets. • Constructively challenges to help develop and execute on the agreed strategy. • Satisfy themselves as to the robustness of the internal controls of climate-related risks and opportunities.
Richard Jones Independent Non-executive Director. Richard joined Alliance as a Non-executive Director on 1 January 2019.	
Kristof Neirynck Independent Non-executive Director. Kristof joined Alliance as an Independent Non-executive Director on 1 December 2021.	

ESG Committee

As a response to growing interest in ESG from our stakeholders, the Board established a specific ESG Committee in 2021. The ESG Committee is responsible for managing climate-related risks and opportunities and reviewing the overarching ESG vision for the Company.

The ESG Committee, which comprised all Board members, met twice in 2022. The ESG Committee is responsible for setting the Group's overarching sustainability strategy, and for identifying relevant ESG priorities that most significantly impact the Group, including those relating to climate change. The Committee is also responsible for ensuring that climate change priorities are anchored as an integral part of the Company's business strategy.

"Driving Alliance's climate strategy and agenda is a real positive step benefiting all stakeholders across our business and its operations" – **David Cook, ESG Committee Chairman.**

In 2022, all Board members sat on the ESG Committee and had the right to attend meetings. The Committee works closely with the SLT and meetings are also attended by the Corporate Sustainability Lead. Others are invited to attend as appropriate, to support the Committee with discussions.

Committee members continuously review Alliance's approach to sustainability, environmental considerations including climate change, governance policies, metrics, reporting requirements, investor and other stakeholder needs. This is a positive step forward and there has been good engagement with our various stakeholders.

Duties of the Committee

- To ensure that the views of stakeholder groups on ESG and climate-related matters are solicited and understood, to inform the Company's long-term strategic decisions.
- To identify the relevant ESG and climate-related priorities that most significantly impact the Company and its stakeholders, its reputation and public interest role.
- To assist in defining and executing the Company's strategy and to agree the annual plan and targets relating to climate-related matters.
- To review the Company's performance against its annual plan and ESG targets, initiatives and commitments including its journey to net zero Scope 1 and 2.
- To guide the Company's ESG communication strategy, including its first standalone TCFD Report in 2022.

2022 activities

- Reviewed 2022 and 2023 objectives and sustainability framework and initiatives.
- Established a sustainable packaging strategy programme to review the Group's product portfolio.
- Increased supply chain oversight through "Know your Supplier" and published our Partner Code of Conduct.
- Developed the carbon action plan which includes understanding what the Company's supply chain partners are doing to reduce their Scopes 1, 2 and 3 emissions.
- Outlined current investment into environmental strategy and carbon action plan by introducing electric vehicle (EV) schemes to encourage behavioural changes.
- Continued to work with the Company's appointed energy consultancy firm to help shape the medium-term ambition, particularly in the areas of TCFD and Scope 3 emissions, supply chain management and development of key metrics.

Frequency of meetings

During 2022, the ESG Committee held 2 scheduled meetings and reported on its progress to the Board. Table 2 shows the ESG updates from across the company and presented to the Board at each ESG Committee meeting.

Table 2: A Table to Show ESG Committee Membership and Meeting Attendance.

Board Member	Role	Status	Attendance
David Cook	Chairman	Independent	[2/2]
Peter Butterfield	CEO	Independent	[2/2]
Andrew Franklin	CFO	Independent	[2/2]
Jo LeCouilliard	NED	Independent	[2/2]
Richard Jones	NED	Independent	[2/2]
Kristof Neirynck	NED	Independent	[2/2]

Management of Climate-related Risks and Opportunities

Executive Responsibility

Responsible for the Company's response to climate change, the ESG Board Committee has delegated executive responsibility for Alliance's climate-related risks and opportunities to the CEO.

"We recognise that climate change poses potential risks and opportunities which may impact the success of our business. We have worked hard over the past couple of years to improve our understanding of climate change and to identify and assess the risks and opportunities it presents to our business" – **Peter, Butterfield, Chief Executive Officer.**

The CEO is responsible for the day-to-day running of the business and implementation of the Group's strategy. He is supported by the Senior Leadership Team (SLT) who have management responsibility for the business operations and support functions. Relevant matters are reported to the Board by the CEO and, as appropriate, the CFO and other members of SLT.

Together with the Board ESG Committee and SLT, the CEO ensures that climate-related risks and opportunities are integrated into our existing business strategy and financial planning. The SLT works with the Board ESG Committee in the development and implementation of our sustainability strategy.

Management

We have dedicated resources internally, to ensuring we operate as a sustainable business. Therefore, the management of climate-related risks and opportunities are held at various levels throughout the company. The ESG Committee has delegated management responsibility for climate-related risks and opportunities to the Senior Leadership Team (SLT), supported by the Corporate Sustainability Lead. Collectively, they ensure the development and implementation of the Company's sustainability strategy, including climate action and TCFD reporting.

The Corporate Sustainability Lead is responsible for overseeing Alliance's developing sustainability programme and ensuring progress is maintained. Throughout the year, members of the ESG Board Committee, SLT and wider management worked with our external ESG consultancy, to develop our TCFD reporting and climate strategy. Collectively, the SLT and Corporate Sustainability Lead ensure climate-related risks and opportunities are accurately identified, assessed and managed.

To support this task, various stakeholders across the business have been involved in the TCFD risk assessment process, with a robust data collection process initiated in 2022. Data was collected to support the identification of climate-related risks and opportunities, in accordance with the TCFD recommendations. Processes and procedures across risk management, facilities, supply chain, finance and IT were analysed, to assess how resilient our business operations would be to the impact of climate change over time.

In 2022, a series of Climate Risk Management Workshops were held for members of our Facilities Team and Supply Chain Leads. These workshops helped to build internal capability across all levels within the organisation, associated with climate change and its impact. The risks identified and the supporting information were then presented to the SLT, to review the risks and determine whether each risk was material to the business. As an outcome of the workshops, we developed a Climate Risk Register, which will be maintained annually, and overseen by SLT, to ensure climate risks and opportunities are accurately reflected.

To ensure members of the SLT and Board were equipped with the appropriate information to review and provide oversight to climate-related risks and opportunities, we held educational sessions on climate change, which followed on from the initial workshops around net-zero. The final climate-risks and opportunities were then reviewed by the ESG Board Committee in January 2023.

In 2022, we held an all-employee conference, where the majority of our employees were able to meet in Bath, England for the first time post COVID. At this session, we held a range of educational workshops with a variety of teams including Facilities, Global Operations, Supply Chain and Scientific and Regulatory Affairs. These sessions covered TCFD, climate-related risks and opportunities, Scope 1 and 2 reduction plans and targets.

Strategy

Disclose the material actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.

Climate Scenario Analysis

Findings

The results from the climate scenario analysis were then presented to our Facilities Team, Supply Chain Leads Team, Corporate Sustainability Lead, Head of Investor Relations and SLT, in our Climate Risk Management Workshops held from October to December 2022, where we determined the impact of each potential climate-related risk. We considered both the short to medium-term risks and opportunities arising from the transition to a lower carbon economy, together with our level of exposure, to the longer-term physical risks associated with global warming. Through this process, we identified 14 climate-related risks and two climate-related opportunities, which are outlined below.

Transition risks

Due to the nature of our business and the location of our direct operations, the biggest climate-related risks facing our business are the transition risks. Alliance may be subject to transition risks spanning across policy & legal, market, reputation and technology. These risks would impact our operations, as we transition to a decarbonised economy, which can be expected in both the below 2°C scenario and 2-3°C scenario. Our business operating expenditures may increase as we experience higher compliance costs, increased resource requirements and supply chain shifts, to meet the demand for sustainable materials. Other costs to the business include a potential carbon tax, increased capital expenditures and impacted capital availability as investors' ESG expectations are heightened.

Physical risks

We have assessed the impact of physical risks across our office locations, as well as the locations of our key CMOs and critical supply chain routes. As we can conduct most of our business functions remotely, the impact of physical risks on our direct operations are relatively low. Physical risks may cause disruptions to our supply chain given their global footprint, as well as the global nature of our logistics activities, both upstream and downstream. Physical risks pose the biggest threat to our value chain, in the above 3°C scenario in the long-term, where global warming has far surpassed the key tipping point beyond which the chances of extreme flooding, drought, and wildfires will increase dramatically.

Opportunities

At Alliance, we are committed to reducing our impact on the environment and supporting the transition to a decarbonised economy. We recognise that a below 2°C scenario may present opportunities that we may be able to capitalise on. We are developing a sustainable sourcing programme, which will enable us to react to changing customer preferences and cater to an increased demand for lower emissions alternative products, potentially increasing our revenue opportunities. We aim to continue to invest in energy efficiency technology across our sites (where possible), to reduce our direct emissions in line with our targets. Reduced energy usage will result in reduced costs to the business.

Climate Related Risks in the below 2°C scenario

Table 3: The Group's transition risks in the below 2°C scenario.

Area	Climate-related risk	Timeline	Impact	Impact Description
Policy & Legal	Increased regulation due to climate change	Short-Medium Term (2022-2035)	Expenditures - Increased operating costs (for example, higher compliance costs) Negligible / < £0.5m	As an Alternative Investment Market (AIM) listed company based in the UK, Alliance has already experienced an increase in regulation, due to climate change. We have been required to calculate and report on our Scope 1 and 2 carbon emissions since 2018, by the UK Government's environmental reporting guidance, Streamlined Energy and Carbon Reporting (SECR). As the UK aims to be net zero by 2050, enhanced regulation may be introduced to encourage businesses to reduce energy usage and emissions. Mandatory climate-related financial disclosures, introduced by the Department for Business, Energy and Industrial Strategy (BEIS), now requires large / listed companies to comply with the recommendations of the TCFD from the financial year 2023. Increased regulation requirements will increase operating costs for the company, including external consultancy fees and increased internal resources. Potential increased costs could result from non-compliance, or late case filing fees. Through our existing sustainability programme, we have dedicated resources in place, who work with our external ESG consultancy, to ensure we remain compliant with current and emerging regulation. These costs are relatively low relative to our revenue. We consider the impact of this risk to be **negligible (<£0.5m).**
	Mandates on and regulation of existing products and services	Short-Medium Term (2022-2035)	Expenditures - Increased direct costs Negligible / < £0.5m	Alliance's products may be subject to increased regulation over time. For example, the UK Plastic Packaging Tax was introduced on 1st April 2022. For products we imported into the UK, where packaging contained less than 30% recycled plastic, we paid around [£8,900] from April – December 2022. An initial increase in resources is likely to be required, to develop additional data collection processes for compliance. However, we do not anticipate this will be an ongoing issue, as once the processes have been developed, they will require limited maintenance, as our products are not subject to frequent changes. We have recently introduced a Sustainable Sourcing Lead role and Innovation & Development budget. These measures are dedicated to investigating and delivering new and sustainable packaging products. These initiatives aim to reduce further the impact of emerging packaging regulation, which may be introduced in other markets. We consider the impact of this risk to be **negligible (<£0.5m).**

Climate Related Risks in the below 2°C scenario

Table 3: The Group's transition risks in the below 2°C scenario.

Area	Climate-related risk	Timeline	Impact	Impact Description
Market	Increased cost of energy and materials	Short - Medium Term (2022-2035)	Expenditures - Increased indirect (operating) costs Small / £0.5 - £1.5m	Over the past few years, the escalation of worldwide events, for example, the COVID-19 pandemic and other geopolitical issues, have caused widespread supply chain disruption. An unpredictable climate could exacerbate the impact of existing supply chain issues, with increased pressure on sourcing of raw materials and finished goods. As we advance on our journey to become net-zero by 2030 for Scope 1 and 2 and 2050 at the latest for Scope 3, we will be looking to substitute some of the materials used in the packaging of our products with lower emission alternatives, where possible. The cost of sustainable / recycled material is expected to be associated with higher costs, than non-recycled alternatives. Our Sustainable Sourcing Lead is currently investigating sustainable materials, as an alternative to those currently used in our existing product range. We will review the potential increase in cost of these sustainable products in our supply chain in 2023. We consider the impact of this risk to be **small (£0.5 - 1.5m).**
	Changing consumer preferences and increased sensitivity to ESG	Short - Medium Term (2022-2035)	Revenue - Decreased revenue due to reduced demand for products and services Small / £0.5 - £1.5m	Alliance may be at risk of loss of revenue, reduced profitability and reduced growth, if we are unable to keep pace with changing consumer preferences including those of large retailers and organisations such as the National Health Service (NHS). As sustainability increases in importance, our customers and partners may review their supply chains, as they look to reduce their impact. Customers may seek sustainable alternatives for the products / packaging that they purchase. If Alliance is unable to meet customers changing demands, they may choose to use an alternative company to meet their needs. As consumers switch to more sustainable products, in extreme circumstances, failure to respond to these changes, could affect our ability to continue to market the products. We believe that by communicating our evolving sustainability programme, we can minimise this risk. As we are on a journey to reduce our carbon emissions, we can position ourselves to be ready for changing customer demands. We have created a new Sustainable Sourcing Lead Role in 2022, to dedicate resources to identifying and assessing potential sustainable alternatives for our product packaging. As this Sustainable Sourcing programme evolves, we will look at how we can further improve the sustainability profile of our products, so they remain competitive in their respective markets. We consider the impact of this risk to be **small (£0.5 - 1.5m).**

Climate Related Risks in the below 2°C scenario

Table 3: The Group's transition risks in the below 2°C scenario.

Area	Climate-related risk	Timeline	Impact	Impact Description
Reputation	Increased stakeholder concern damaging our reputation	Short - Medium Term (2022-2035)	Capital and Financing – Decreased access to capital Small / £0.5 - £1.5m	As the world transitions to a decarbonised economy, our stakeholders will likely have increased interest in our sustainability credentials. An actual or perceived inability to understand and take action to reduce our overall carbon footprint, is likely to negatively impact investor sentiment and ratings. This could potentially limit our access to capital, as the focus on environmental impacts, climate change and net zero targets increases. Feedback from our investors was used to inform the development of our Sustainability Framework, ensuring that we are prioritising the areas of most concern. By communicating our progress against these topics, through our Annual Report, Online Sustainability Report and standalone TCFD report, we believe we can minimise the impact of this risk. We consider the impact of this risk to be **small (£0.5 - 1.5m).**

Climate Related Risks in the below 2°C scenario

Table 3: The Group's transition risks in the below 2°C scenario.

Area	Climate-related risk	Timeline	Impact	Impact Description
Technology	Substitute existing products to lower emissions alternates	Short - Medium Term (2022-2035)	CapEx - Increased capital expenditure / Investments Small / £0.5 - £1.5m	Alliance may be at risk of loss of revenue, reduced profitability and reduced growth, if we are unable to keep pace with changing consumer preferences. As sustainability increases in importance, our B2B customers may review their supply chains, as they look to reduce their environmental impact. Customers may seek sustainable alternatives for the products / packaging they purchase and could go to competitors if Alliance is unable to meet their changing demands. The costs to ensure our products are sustainable, are likely to increase, as we may need to invest in more technology and resources, to meet this changing demand. We created a new Sustainable Sourcing Lead role in 2022, to dedicate resources to identifying and assessing more sustainable packaging materials for use within our supply chain. As we are already on a journey to reduce our carbon emissions, we can position ourselves to be ready for changing customer demands. We expect there to be some upfront costs to capitalise on this opportunity, as we will be required to invest in alternative materials, and potentially to develop lower emission alternative products. We consider this risk to be **small (£0.5 - 1.5m).**
	Costs to transition to lower emissions technology	Short - Medium Term (2022-2035)	CapEx - Increased capital expenditure / Investment Negligible / < £0.5m	We are committed to decarbonising our operations, as we embark on a journey to net-zero for our Scope 1 and 2 emissions by 2030. To reduce our carbon emissions, we may be required to invest in lower emissions technology across our operations, as more innovative solutions come to market over time, resulting in increased cost for the business. We have already dedicated capital expenditure to investing in lower emissions technology across our operations, most significantly in our Chippenham HQ. Due to the nature of our business, our Scope 1 and 2 emissions are low (52 tCO_2e for 2022). We have an established programme to reduce our carbon emissions, with a target of becoming net-zero Scope 1 and 2 by 2030. Hence, this is considered a gradual, and small, risk. Since 2018, we have been reducing our Scope 1 and 2 carbon emissions, through a range of energy efficiency measures implemented at our Chippenham office, as well as ensuring the energy we purchase is from a renewable source. As a result, we have reduced our electricity consumption from 313,581 kWh in 2018 to 229,932 kWh in 2022, with a corresponding reduction in emissions from 91.15 tCO_2e to 44.46 tCO_2e. As we have made significant progress in this area, we consider the impact of this risk to be **negligible (<£0.5m).**

Climate Related Risks in the 2-3°C scenario

Table 4: The Group's transition risks in the 2-3°C scenario.

Area	Climate-related risk	Timeline	Impact	Impact Description
Policy & Legal	Increased regulation due to climate change	Short-Medium Term (2022-2035)	Expenditures - Increased operating costs (for example, higher compliance costs) Negligible / < £0.5m	As an Alternative Investment Market (AIM) listed company based in the UK, Alliance has already experienced an increase in regulation, due to climate change. We have been required to calculate and report on our Scope 1 and 2 carbon emissions since 2018, by the UK Government's environmental reporting guidance, Streamlined Energy and Carbon Reporting (SECR). As the UK aims to be net zero by 2050, enhanced regulation may be introduced to encourage businesses to reduce energy usage and emissions. Mandatory climate-related financial disclosures, introduced by the Department for Business, Energy and Industrial Strategy (BEIS), now requires large / listed companies to comply with the recommendations of the TCFD from the financial year 2023. Increased regulation requirements will increase operating costs for the company, including external consultancy fees and increased internal resources. Potential increased costs could result from non-compliance, or late case filing fees Through our existing sustainability programme, we have dedicated resources in place, who work with our external ESG consultancy, to ensure we remain compliant with current and emerging regulation. These costs are relatively low relative to our revenue. We consider the impact of this risk to be **negligible (<£0.5m).**
	Increase in carbon pricing	Medium Term (2025-2035)	Expenditures - Increased direct costs Negligible / < £0.5m	The UK has committed to a series of five-year carbon budgets and a target of reducing emissions by 68% by 2030. If carbon emissions do not decrease at a rate satisfactory to these targets, a tax on carbon emissions may be applied to companies across many different sectors, including Alliance's. Using projected carbon tax values across >2 °C, 2-3 °C and >3 °C scenarios, this cost could be highest for Alliance in the 2-3 °C scenario, in 2026 when carbon pricing is projected to peak. We recognise that increased costs from carbon taxes on our CMOs could be passed onto us through increased prices. Based on our 2022 Scope 1 and 2 emissions 52 tCO_2e, Alliance could see a potential tax of around £6,000 per annum by 2026 in the 2-3°C scenario, assuming no reduction to carbon emissions. In September 2022, we set a target to be net-zero for our Scope 1 and 2 emissions by 2030, with an interim reduction target of 65% by 2025. As we progress towards these targets, we would expect our total carbon emissions to reduce over time, reducing the impact of a carbon tax. However, even if Alliance did not reduce its emissions, the increased cost to the business with a 0% carbon reduction is considered **negligible (less than £0.5m)** due to the relatively low impact of our Scope 1 and 2 emission.

Climate Related Risks in the 2-3°C scenario

Table 4: The Group's transition risks in the 2-3°C scenario.

Area	Climate-related risk	Timeline	Impact	Impact Description
Policy & Legal	Mandates on and regulation of existing products and services	Short-Medium Term (2022-2035)	Expenditures - Increased direct costs Negligible / < £0.5m	Alliance's products may be subject to increased regulation over time. For example, the UK Plastic Packaging Tax was introduced on 1st April 2022. For products we imported into the UK, where packaging contained less than 30% recycled plastic, we paid around [£8,900] from April – December 2022. An initial increase in resources is likely to be required, to develop additional data collection processes for compliance. However, we do not anticipate this will be an ongoing issue, as once the processes have been developed, they will require limited maintenance, as our products are not subject to frequent changes. We have recently introduced a Sustainable Sourcing Lead role and Innovation & Development budget. These measures are dedicated to investigating and delivering new and sustainable packaging products. These initiatives aim to reduce further the impact of emerging packaging regulation, which may be introduced in other markets. We consider the impact of this risk to be **negligible (<£0.5m).**
Market	Increased cost of energy and materials	Short - Medium Term (2022-2035)	Expenditures - Increased indirect (operating) costs Small / £0.5 - £1.5m	Over the past few years, the escalation of worldwide events, for example, the COVID-19 pandemic and other geopolitical issues, have caused widespread supply chain disruption. An unpredictable climate could exacerbate the impact of existing supply chain issues, with increased pressure on sourcing of raw materials and finished goods. As we advance on our journey to become net-zero by 2030 for Scope 1 and 2 and 2050 at the latest for Scope 3, we will be looking to substitute some of the materials used in the packaging of our products with lower emission alternatives, where possible. The cost of sustainable / recycled material is expected to be associated with higher costs, than non-recycled alternatives. Our Sustainable Sourcing Lead is currently investigating sustainable materials, as an alternative to those currently used in our existing product range. We will review the potential increase in cost of these sustainable products in our supply chain in 2023. We consider the impact of this risk to be **small (£0.5 - 1.5m).**

Climate Related Risks in the 2-3°C scenario

Table 4: The Group's transition risks in the 2-3°C scenario.

Area	Climate-related risk	Timeline	Impact	Impact Description
Market	Changing consumer preferences and increased sensitivity to ESG	Short - Medium Term (2022-2035)	Revenue - Decreased revenue due to reduced demand for products and services Small / £0.5 - £1.5m	Alliance may be at risk of loss of revenue, reduced profitability and reduced growth, if we are unable to keep pace with changing consumer preferences including those of large retailers and organisations such as the National Health Service (NHS). As sustainability increases in importance, our customers and partners may review their supply chains, as they look to reduce their impact. Customers may seek sustainable alternatives for the products / packaging that they purchase. If Alliance is unable to meet customers changing demands, they may choose to use an alternative company to meet their needs. As consumers switch to more sustainable products, in extreme circumstances, failure to respond to these changes, could affect our ability to continue to market the products. We believe that by communicating our evolving sustainability programme, we can minimise this risk. As we are on a journey to reduce our carbon emissions, we can position ourselves to be ready for changing customer demands. We have created a new Sustainable Sourcing Lead Role in 2022, to dedicate resources to identifying and assessing potential sustainable alternatives for our product packaging. As this Sustainable Sourcing programme evolves, we will look at how we can further improve the sustainability profile of our products, so they remain competitive in their respective markets. We consider the impact of this risk to be **small (£0.5 - 1.5m).**
Reputation	Increased stakeholder concern damaging our reputation	Short - Medium Term (2022-2035)	Capital and Financing – Decreased access to capital Small / £0.5 - £1.5m	As the world transitions to a decarbonised economy, our stakeholders will likely have increased interest in our sustainability credentials. An actual or perceived inability to understand and take action to reduce our overall carbon footprint, is likely to negatively impact investor sentiment and ratings. This could potentially limit our access to capital, as the focus on environmental impacts, climate change and net zero targets increases. Feedback from our investors was used to inform the development of our Sustainability Framework, ensuring that we are prioritising the areas of most concern. By communicating our progress against these topics, through our Annual Report, Online Sustainability Report and standalone TCFD report, we believe we can minimise the impact of this risk. We consider the impact of this risk to be **small (£0.5 - 1.5m).**

Climate Related Risks in the 2-3°C scenario

Table 4: The Group's transition risks in the 2-3°C scenario.

Area	Climate-related risk	Timeline	Impact	Impact Description
Technology	Substitute existing products to lower emissions alternates	Short - Medium Term (2022-2035)	CapEx - Increased capital expenditure / Investments Small / £0.5 - £1.5m	Alliance may be at risk of loss of revenue, reduced profitability and reduced growth, if we are unable to keep pace with changing consumer preferences. As sustainability increases in importance, our B2B customers may review their supply chains, as they look to reduce their environmental impact. Customers may seek sustainable alternatives for the products / packaging they purchase and could go to competitors if Alliance is unable to meet their changing demands. The costs to ensure our products are sustainable, are likely to increase, as we may need to invest in more technology and resources, to meet this changing demand. We created a new Sustainable Sourcing Lead role in 2022, to dedicate resources to identifying and assessing more sustainable packaging materials for use within our supply chain. As we are already on a journey to reduce our carbon emissions, we can position ourselves to be ready for changing customer demands. We expect there to be some upfront costs to capitalise on this opportunity, as we will be required to invest in alternative materials, and potentially to develop lower emission alternative products. We consider this risk to be **small (£0.5 - 1.5m).**
	Costs to transition to lower emissions technology	Short - Medium Term (2022-2035)	CapEx - Increased capital expenditure / Investment Negligible / < £0.5m	We are committed to decarbonising our operations, as we embark on a journey to net-zero for our Scope 1 and 2 emissions by 2030. To reduce our carbon emissions, we may be required to invest in lower emissions technology across our operations, as more innovative solutions come to market over time, resulting in increased cost for the business. We have already dedicated capital expenditure to investing in lower emissions technology across our operations, most significantly in our Chippenham HQ. Due to the nature of our business, our Scope 1 and 2 emissions are low (52 tCO_2e for 2022). We have an established programme to reduce our carbon emissions, with a target of becoming net-zero Scope 1 and 2 by 2030. Hence, this is considered a gradual, and small, risk. Since 2018, we have been reducing our Scope 1 and 2 carbon emissions, through a range of energy efficiency measures implemented at our Chippenham office, as well as ensuring the energy we purchase is from a renewable source. As a result, we have reduced our electricity consumption from 313,581 kWh in 2018 to 229,932 kWh in 2022, with a corresponding reduction in emissions from 91.15 tCO_2e to 44.46 tCO_2e. As we have made significant progress in this area, we consider the impact of this risk to be **negligible (<£0.5m).**

Climate Related Risks in the above 3°C scenario

Table 5: The Group's transition risks in the above 3°C scenario.

Area	Climate-related risk	Timeline	Impact	Impact Description
Market	Increased cost of energy and materials	Short - Medium Term (2022-2035)	Expenditures - Increased indirect (operating) costs Small / £0.5 - £1.5m	Over the past few years, the escalation of worldwide events, for example, the COVID-19 pandemic and other geopolitical issues, have caused widespread supply chain disruption. An unpredictable climate could exacerbate the impact of existing supply chain issues, with increased pressure on sourcing of raw materials and finished goods. As we advance on our journey to become net-zero by 2030 for Scope 1 and 2 and 2050 at the latest for Scope 3, we will be looking to substitute some of the materials used in the packaging of our products with lower emission alternatives, where possible. The cost of sustainable / recycled material is expected to be associated with higher costs, than non-recycled alternatives. Our Sustainable Sourcing Lead is currently investigating sustainable materials, as an alternative to those currently used in our existing product range. We will review the potential increase in cost of these sustainable products in our supply chain in 2023. We consider the impact of this risk to be **small (£0.5 - 1.5m).**

Climate Related Risks in the above 3°C scenario

Table 5: The Group's physical risks in the above 3°C scenario.

Area	Climate-related risk	Timeline	Impact	Impact Description
Acute	Increased frequency and severity of flooding	Long Term (2035-2050)	Expenditures – Increased direct and indirect costs Highly significant / >£4.5m	**Seven of our offices and 21 supplier sites are situated in potential high flood risk zones.** We recognise that an increased risk of both coastal and fluvial flooding could result in disruptions to our business. As flooding increases in severity and frequency it could directly damage our property, plant and equipment. Also, it could impact critical transport routes, which could increase the cost associated with maintenance, supply chain and customer delays. Our property insurance premiums may increase, associated with locations in high flood-risk zones, as globally, premiums are expected to rise by 29% by 2040 due to climate change. Due to the nature of our business, this is a low risk for our direct operations, as we have the capacity to work from home and continue the daily operations of the business. This risk is higher within our supply chain, where manufacturing may be impacted, with potential delays or pressure on sourcing materials. This reflects the worst case scenario representing significant damage and interruption to a key product. We have introduced a range of mitigations to reduce the impact of this risk. As a result of Covid-19, we have introduced a range of mitigation actions, to reduce the impact of disruptions and build a more resilient supply chain. Longer lead times and increased safety stock, ensure that a delay due to of a one-off event will have less of a direct impact on our operations. In the worst case scenario, without accounting for any of the mitigations currently in place, we consider the impact of this risk to be **highly significant (>£4.5m).**
	Heatwaves / Extreme Heat	Long Term (2035-2050)	Expenditures – Increased direct and indirect costs Small / £0.5 - £1.5m	**Seven of our offices and 20 supplier sites will experience rising temperatures.** Global temperatures are rising because of climate change and are expected to increase over time. Periods of extreme heat / heatwaves may impact employees, causing a decrease in productivity. Regular comfort breaks may be required to ensure employees do not suffer from heat related illness, which reduces productivity. To maintain optimal temperatures for employees and technology there may be an increase in demand for cooling, through air-conditioning units, leading to an increase in energy costs and associated Scopes 1 and 2 carbon emissions. Spikes in energy usage during the summer months may increase Alliance's energy consumption and Scope 1 and 2 carbon emissions. This may hinder our progress towards the Group's Scope 1 and 2 net-zero target by 2030. Also, an increase in energy demand could lead to power outages, which could cause disruption to our business operations. We consider the impact of this risk to be **small (£0.5 - 1.5m).**

Climate Related Risks in the above 3°C scenario

Table 5: The Group's physical risks in the above 3°C scenario.

Area	Climate-related risk	Timeline	Impact	Impact Description
Acute	Increased frequency of wildfires	Long Term (2035-2050)	Expenditures – Increased direct and indirect costs Medium / £1.5 - £3.5m	**One of our offices and eight supplier sites, are at risk of wildfire impact.** Wildfires are not a material risk for our operations as our sites are in urban areas with limited vegetation at risk. However, we recognise that these events may increase over time, due to an increase in droughts, heatwaves and other extreme weather conditions. This could result in direct damage to our property, plant and equipment. Also, it could impact critical transport routes, which may increase the cost for the business through maintenance costs, supply chain and customer delays. In addition, costs may increase with the installation of appropriate ventilation, due to increased requirement for air filtration systems. This risk is higher within our supply chain, where manufacturing may be impacted, with potential delays or pressure on sourcing materials. This reflects the worst case scenario representing significant damage and interruption to a key product. We have introduced a range of mitigations to reduce the impact of this risk. In the worst case scenario, without accounting for any of the mitigations currently in place, we consider the impact of this risk to be **medium (£1.5 - 3.5m).**
Chronic	Rising mean temperatures	Long Term (2035-2050)	Expenditures – Increased direct and indirect costs Small / £0.5 - £1.5m	**Seven of our offices and 20 supplier sites will experience an increase in mean temperatures.** Global temperatures are rising because of climate change and are expected to increase over time. Periods of extreme heat / heatwaves may impact employees, causing a decrease in productivity. Regular comfort breaks may be required to ensure employees do not suffer from heat related illness, which reduces productivity. To maintain optimal temperatures for employees and technology there may be an increase in demand for cooling through air-conditioning units, leading to an increase in energy costs and associated Scope 1 and 2 carbon emissions. Spikes in energy usage during the summer months may increase Alliance's energy consumption and Scope 1 and 2 carbon emissions. This may hinder our progress towards the Group's Scope 1 and 2 net-zero target by 2030. Also, an increase in energy demand could lead to power outages, which could cause disruption to our business operations. We consider the impact of this risk to be **small (£0.5 - 1.5m).**

Climate Related Risks in the above 3°C scenario

Table 5: The Group's physical risks in the above 3°C scenario.

Area	Climate-related risk	Timeline	Impact	Impact Description
Chronic	Sea Level Rise	Long Term (2035-2050)	Expenditures – Increased direct and indirect costs Negligible / < £0.5 m	**Two of our offices and 11 supplier sites are potentially at risk from sea level rise.** Sea level rise increases the risk of erosion and storm surges. As sea level rises, damage to sites could lead to closures and increased insurance premiums. Damage and disruption to major routes, for example at shipping ports, could impact our existing supply routes. As this risk occurs gradually over time we could relocate our operations if necessary. We consider the impact of this risk to be **negligible (less than £0.5m).**
	Water Stress	Long Term (2035-2050)	Expenditures – Increased direct and indirect costs Small / £0.5 - £1.5m	**Four of our offices and 12 supplier sites are in areas likely to be subject to extremely high- or high-water stress by 2030.** Increased water stress in a location could result in a lack of freshwater resources. As our direct operations are not water intensive, other than for employee use, this is considered a low risk. However, we recognise that water is a crucial resource throughout our supply chain, in the production of the products we procure. Therefore, companies operating in areas of high-water stress could be impacted by additional regulation of restricted water usage (such as hose pipe bans or restrictions associated with water abstraction) and reporting requirements for water consumption. We consider the impact of this risk to be **small (£0.5 - 1.5m).**

Climate Related Opportunities

Table 6: The Group's climate related opportunities.

Area	Climate-related opportunity	Timeline	Impact	Impact Description
Products and Services	Development of new products or services through R&D and innovation	Medium (2025-2035)	Increased revenue from an increase in demand for sustainable products and services	As sustainability increases in importance our B2B customers may look to their supply chains to support them in reducing their environmental impact. Customers may request sustainable products / packaging and could go to competitors if Alliance is unable to meet their changing demands. We created a new Sustainable Sourcing Lead role in 2022, to dedicate resources to identifying and assessing more sustainable alternatives for our product packaging within our supply chain. As this Sustainable Sourcing programme evolves, we will look to develop our products to be more sustainable, to remain competitive in the market. As we are on a journey to reduce our carbon emissions, we can position ourselves to be ready for changing customer demands. The upfront cost of creating more sustainable products is expected to be outweighed by the potential increased revenue associated with an increase in demand for sustainable products from our customers. As we are at the beginning of this journey, we are not yet able to quantify this potential opportunity.
Energy resources	Use of lower emission sources of energy	Short -Medium Term (2020-2035)	Reduction in operating expenses because of increased efficiency (for example, energy costs) Small / £0.5 - £1.5m	At Alliance we are committed to decarbonising our operations as we embark on a journey to be net-zero for our Scope 1 and 2 emissions by 2030, with an interim reduction target of 65% by 2025. To reduce our carbon emissions we may be required to invest in lower emissions technology across our operations as more innovative solutions come to market over time. Since 2018 we have been reducing our Scope 1 and 2 carbon emissions through a range of energy efficiency measures implemented at our Chippenham office, as well as ensuring the energy we purchase is from a renewable source. As a result, we have reduced our electricity consumption from 313,581 kWh in 2018 to 229,932 kWh in 2022, with a corresponding reduction in emissions from 91.15 tCO_2e to 44.46 tCO_2e. Increased energy efficiency technology will decrease our energy consumption and the energy costs for our business. The payback associated with lower-emission sources of energy will mitigate the upfront cost of technology investment. We consider the size of this opportunity to be **small (£0.5 - 1.5m).**

Risk Management

Disclose how the organization identifies, assesses, and manages climate-related risks.

Risk Management

Alliance has an established and comprehensive risk management framework, which informs how business risks are identified, rated and monitored. Through our TCFD programme, and with the support of an external ESG consultancy, in 2022 we created a stand-alone climate risk management framework, to identify and assess our climate-related risks and opportunities. These risks have now been integrated as part of our wider business risk management processes, with the 'Impact of tackling climate change' now being recognised as a new principal risk in our 2022 Annual Report, having previously been recognised as an emerging risk.

The creation of our climate risk management framework followed four key steps: to identify our risks, consider their potential impacts and identify current and future mitigation actions to reduce their impact.

1. Identify

Throughout 2022 we conducted an internal stakeholder engagement process, to identify the appropriate climate-related risks, which may impact our business. We engaged with stakeholders across key business functions including finance, facilities, risk management, IT and supply chain management. In total, we identified 14 climate-related risks and two opportunities.

2. Assess

To develop our understanding of climate change, and how the risks and opportunities could potentially impact our business over time, we worked with an external ESG consultancy to conduct climate scenario analysis. The impact of each risk and opportunity was assessed across three scenarios (<2°C, 2-3°C and >3°C) and three timeframes (short (up to 2025), medium (2025-2035) and long-term (2035-2050)). This enabled us to understand where the impact for our business would be highest. In 2022, a total of five Climate Risk Management Workshops were held with our facilities team, supply chain leads and SLT, to understand the impact of current climate-related risks across the business, which was used to support our analysis. This was followed by a presentation to the ESG Board Committee in January 2023.

3. Appraise

After assessing the impact of each risk, we appraised a range of risk management options. During the Climate Risk Management Workshops, we evaluated the effectiveness of the current risk mitigation actions, for each climate-related risk and opportunity. We developed a climate risk management framework, to ensure our business operations remain resilient to climate change.

4. Address

Where required, we have introduced mitigation actions to reduce climate change risk. The SLT will maintain a Climate Risk Register to ensure that the climate risks and opportunities are accurately reviewed, reported and monitored. We will be reviewing our climate-related risks and opportunities annually, to monitor the performance of our mitigation plans and reassess the impact as appropriate. Responsibility for maintaining the climate risk register and for ensuring that climate risks and opportunities are accurately reviewed, reported, and monitored, sits with SLT.

Now that we have carried out the scenario analysis necessary to enable us to determine our potential level of exposure to climate-related risks and the impact that these may have on our business, in the short-medium term and in the longer term, we have taken the decision to recognise the impact of climate change as a principal risk this financial year, as reported in our 2022 Annual Report.

Climate Risk Management

Table 7: Climate-related risk mitigation.

Area	Climate-related risk	Mitigation actions
Policy & Legal	Increased regulation due to climate change	The Group is exposed to a growing number of legal and regulatory compliance requirements and has a well-developed compliance framework to ensure these requirements are met. We carefully monitor legislative developments and have strong engagement with our supply chain, to drive environmental leadership. We have already allocated internal resources and engaged with an external ESG consultancy, to ensure compliance with current and emerging regulation. Senior management team members are being made aware of the key compliance requirements relevant to their functional areas. They liaise with the CFO and external advisers, to identify and manage issues. Policies and procedures are being developed, to ensure the Group has capacity to support increased reporting and transparency (for example, data collection processes).
	Increase in carbon pricing	In September 2022, we set a target to be net-zero for our Scope 1 and 2 emissions by 2030, with an interim reduction target of 65% by 2025. As we progress towards these targets we would expect our total carbon emissions to reduce over time, reducing the impact of a carbon tax. We have developed an internal carbon pricing mechanism, which will model potential carbon costs each year, as we set interim targets and reduce our emissions.
	Mandates on and regulation of existing products and services	In 2022, we created a new Sustainable Sourcing Lead role, to work alongside our existing Innovation & Development team. Part of their collective remit will be to investigate and deliver new and more sustainable packaging solutions for our products. These initiatives aim to reduce further the impact of emerging packaging regulation, such as the UK Plastics Tax, which may be introduced in other markets.
Market	Increased cost of energy and materials	We continue to maintain strong relationships with all our key suppliers. Supply options are diversified where possible, providing flexibility and reducing reliance on individual suppliers. Our Sustainable Sourcing Lead is currently investigating sustainable materials, as an alternative to current packaging materials for a number of products in our existing product range. We will start to review the potential increase in cost for these sustainable alternatives in 2023. We have made energy efficiency a key focus for our business. As we advance on our journey to become net-zero by 2030 for Scope 1 and 2, our energy usage, and costs, will decrease.
	Changing consumer preferences and increased sensitivity to ESG	We review our position in the market on a regular basis, taking into consideration changing consumer preferences. We created a new Sustainable Sourcing Lead Role in 2022, to dedicate resources to identifying and assessing potential sustainable alternatives for our product packaging. As this Sustainable Sourcing programme evolves, we will research how we can further improve the sustainability profile of our products, so they remain competitive in their respective markets. This year, we have published our first stand-alone voluntary TCFD Report and Online Sustainability Report, to communicate our efforts to our stakeholders including customers.

Climate Risk Management continued

Table 7: Climate-related risk mitigation.

Area	Climate-related risk	Mitigation actions
Reputation	Increased stakeholder concern damaging our reputation	Feedback from our investors was used to inform the development of our Sustainability Framework, ensuring that we are prioritising the areas of most concern. By communicating our progress against these topics, through our Annual Report, Online Sustainability Report and standalone voluntary TCFD report, we believe we can minimise the impact of this risk. We have already allocated internal resources and engaged with an external ESG consultancy to ensure we meet growing expectations.
Technology	Substitute existing products to lower emissions alternates	Increased upfront costs of sustainable or recycled materials will be mitigated by the increase revenue generated by producing lower emission alternative products, which will become more competitive in the market.
	Costs to transition to lower emissions technology	The pay back associated with investment into energy efficiency technology may mitigate this risk as we aim to introduce more energy saving opportunities and schemes. Since 2018, we have been reducing our Scope 1 and 2 carbon emissions through a range of energy efficiency measures implemented at our Chippenham office, as well as ensuring the energy we purchase is from a renewable source. As a result, we have reduced our electricity consumption from 313,581 kWh in 2018 to 229,932 kWh in 2022, with a corresponding reduction in emissions from 91.15 tCO_2e to 44.46 tCO_2e

Climate Risk Management continued

Table 7: Climate-related risk mitigation.

Area	Climate-related risk	Mitigation actions
Acute	Increased frequency and severity of flooding	Due to the nature of our business this is a low risk for our direct operations as we have the capacity to work from home and continue the daily operations of the business. This risk is higher within our supply chain, where manufacturing may be impacted, with potential delays or pressure on sourcing materials. In response to supply chain disruption caused by the global pandemic and subsequently the war in Ukraine, we introduced a number of mitigation actions, to reduce the impact of disruptions and build a more resilient supply chain. Longer lead times and increased safety stock ensure that a delay because of a one-off event will have less of a direct impact on our operations. We will conduct annual climate scenario analysis across our operations and supply chain to monitor this risk. We have conducted site specific flood risk assessments and monitor flood impacts at our Chippenham HQ office for long term impacts. We maintain appropriate business interruption insurance cover.
Acute/ Chronic	Heatwaves / Extreme Heat / Chronic Rising Mean Temperatures	The health and wellbeing of colleagues is our overriding priority. Therefore, we ensure clean drinking water is available to keep employees hydrated as well as air conditioning and opportunities to take additional breaks where necessary. We have installed thermally efficient windows, which reflect and reduce heat in warming events while retaining heat in cold periods.
Acute	Increased frequency of wildfires	Wildfires are not a material risk for our operations as our sites are in urban areas, with limited vegetation at risk. We maintain appropriate business interruption insurance cover. The impact of this risk is higher within our supply chain. We will conduct annual climate scenario analysis across our operations and supply chain to monitor this risk.
Chronic	Sea Level Rise	As this risk occurs gradually over time we could relocate our operations if necessary. We may have to engage in resources to conduct site specific flood risk assessments and monitor flood risk at sites for long term impacts. We will conduct annual climate scenario analysis across our operations and supply chain to monitor this risk.
Chronic	Water Stress	As our direct operations are not water intensive, other than for employee use, this is considered a low risk. We conduct audits to regularly inspect for leaks. We may look to collect additional data around our water consumption and introduce water saving measures where appropriate. We will widen our supplier engagement process to request data surrounding our suppliers water consumption and plans for reduction in 2023.

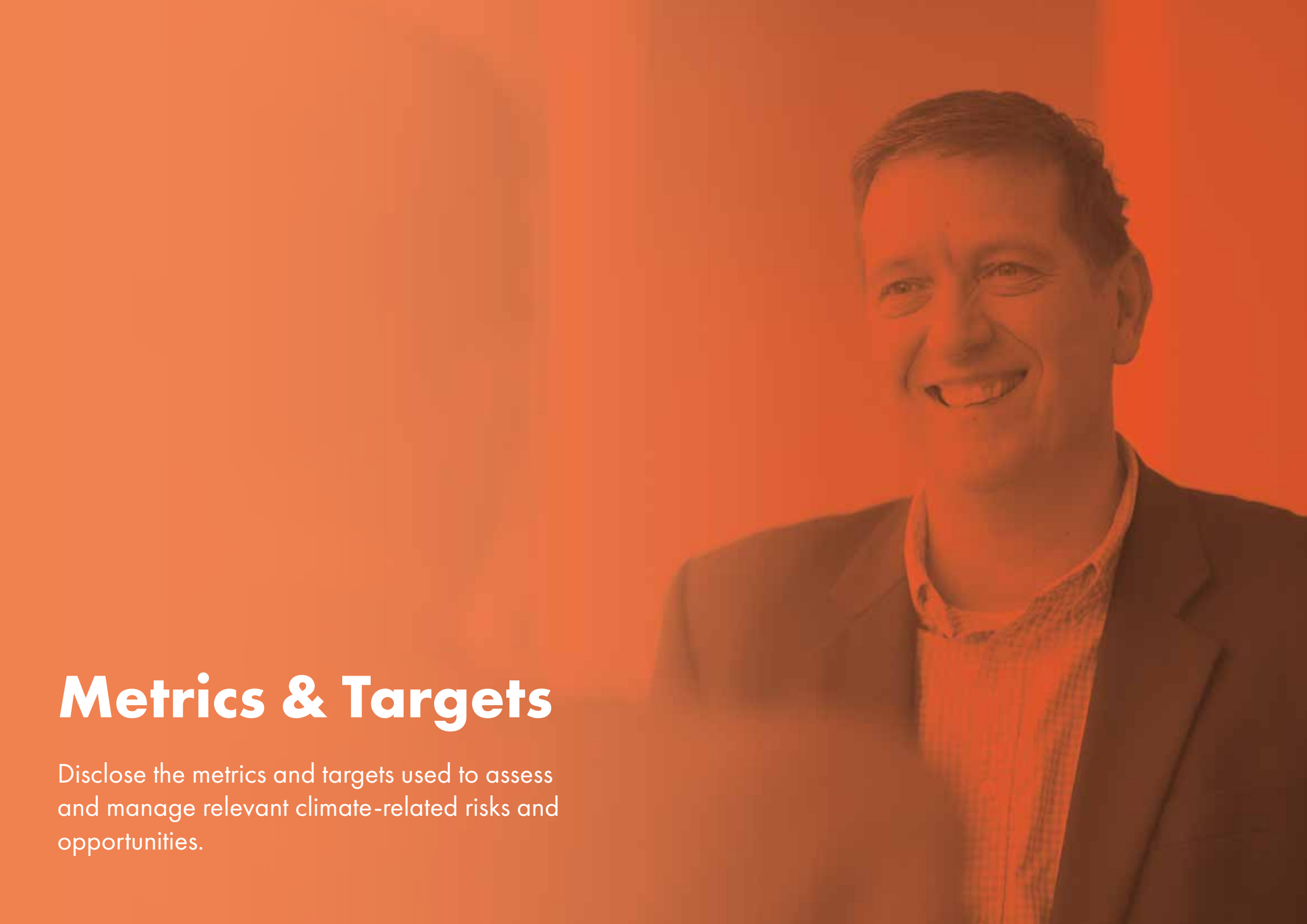
Climate Opportunity Management

Table 8: Climate-related opportunity management.

Area	Climate-related opportunity	Opportunity management
Products and Services	Development of new products or services through R&D and innovation	We created a new Sustainable Sourcing Lead role in 2022, to dedicate resources to identifying and assessing more sustainable alternatives for our product packaging within our supply chain. As this Sustainable Sourcing programme evolves, we will look to develop our product offering with sustainability considerations in mind, as to remain competitive in the market.
Energy resources	Use of lower-emission sources of energy	We have already dedicated capital expenditure to invest in lower emission across our operations, most significantly in our Chippenham HQ. As we are committed to becoming net zero for Scope 1 and 2 by 2030 we will continue to allocate capital into lower emission sources of energy where necessary to achieve our goals.

Metrics & Targets

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities.



Understanding and Reducing our Climate Impact

We have continued to focus on developing our sustainable business strategy during 2022, under the direction of the ESG Board Committee. We are committed to reducing our environmental impact, while delivering sustainable business growth.

We assess our sustainability performance and resilience against climate-related risks and opportunities through various metrics including carbon emissions, packaging and supply chain environmental impact. Our external ESG consultancy has supported us to improve our environmental performance and data collection processes.

Calculating our Carbon emissions

As part of our wider sustainability programme, we are committed to reducing the carbon emissions associated with our business operations. We appreciate that understanding our carbon footprint is the first step in achieving this goal.

We have reported our UK Scope 1 and 2 carbon emissions since 2020, as required by the Streamlined Energy and Carbon Reporting (SECR) requirements. More details can be found on pages 90-91 of our 2022 Annual Report. In 2021, we began developing our carbon action plan. this included widening our data collection processes, to include the quantification of our Scope 3 carbon emissions as well as our global Scope 1 and 2.

Alliance's total greenhouse gas location-based emissions were 52 tCO_2e from Scope 1 and 2 and 47,973 tCO_2e for Scope 3 in 2022. Scope 1 and 2 represented 0.11% of the total carbon footprint, with Scope 3 representing the remaining 99.89%.

Table 9: Scope 1, 2 and 3 location and market based emissions.

Emissions Type	Location-based Calculated Emissions (tCO_2e)			Market-based Calculated Emissions (tCO_2e)		
	2022	2021	2020	2022	2021	2020
Scope 1 (direct)	2	2	64	2	2	-
Scope 2 (indirect)	50	68	89	52	16	-
Scope 3 (indirect)	47,973	37,648	32,243	47,973	37,648	-
Total All Scopes	**48,025**	**37,718**	**32,396**	**48,026**	**37,666**	**-**
Carbon Offsets[3]	**92[1]**	**91[2]**	**0**	**92[1]**	**91[2]**	**-**
Total Net Emissions	**47,933**	**37,627**	**32,396**	**47,934**	**37,575**	**-**
Emission Intensity[4]	**279**	**295**	**297**	**279**	**294**	**-**

[1]Alliance purchased 92 tCO_2e worth of voluntary carbon offsets in a Verra-verified peatland restoration and conservation project in Indonesia.
[2]Alliance purchased 91 tCO_2e worth of voluntary carbon offsets in a Verra-verfiied project preventing deforestation in Brazil.
[3]The carbon offsets for both 2021 and 2022 are equivalent to our total UK emissions for 2021 and 2022 (see Table 11 on page 34).
[4]Calculated using the 'Total All Scopes' and defined as tCO_2e per £m of turnover.

Scope 1 and 2

Location-based - This method calculates emissions associated with fuel and electricity consumption by using UK average emissions intensities.

Our location-based Scope 1 and 2 emissions for 2022 were 52 tCO_2e, a reduction of 26% versus those for 2021, due primarily to reduced consumption at our Chippenham HQ and the non-renewal of the lease for our leased office in Chester mid-way through the year. We anticipate that further reductions in our UK emissions will be driven primarily by electricity generation at our Chippenham HQ, for which proposals have been submitted and we are currently awaiting necessary planning consents.

Market-based - This method calculates emissions associated with fuel and electricity consumption by using the supplier or contract specific emissions factor.

Due to external economic factors, we did not continue to procure a renewable energy contract in 2022 as done in 2021, resulting in an increase in our Scope 2 market-based emissions from 16 tCO_2e to 52 tCO_2e. We aim to review our energy fuel mix of our energy contracts moving forward with our environmental impact in mind. Reductions in emissions at our international sites (where we control the supply) will be driven primarily by switching to renewable tariffs. We also expect to benefit from small reductions in consumption, driven by energy-saving measures, through increased colleague awareness and engagement across all our offices and from grid-driven reductions in electricity tariffs.

Streamlined Energy and Carbon Reporting

Alliance has reported under the government policy Streamlined Energy & Carbon Reporting (SECR), detailing our UK energy usage, associated emissions, energy efficiency actions and energy performance, as implemented by the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

We are proud to say we achieved 92% verifiable data coverage, with 8% of consumption data used for SECR required to be estimated to achieve 100% data coverage.

Alliance's Scope 1 (Direct) and Scope 3 (Grey fleet) UK emissions (combustion of natural gas and transportation fuels) for this year of reporting are 46.95 tCO_2e, resulting from the direct combustion of 202,457 kWh of fuel. This represents a carbon increase of 31.77% from last year.

Scope 2 indirect UK emissions (purchased electricity) for this year of reporting are 44.46 tCO_2e, resulting from the consumption of 229,932 kWh of electricity purchased and consumed in day-to-day business operations. This represents a carbon reduction of 18.23% from last year. Our operations have an intensity metric of 0.79 tCO_2e per £m turnover for this reporting year. This represents an increase in operational carbon intensity of 12.93% from our previous reporting year.

Table 10: The total Consumption (kWh) figures for energy supplies reportable by the Group.

Utility & Scope	2022 UK Consumption (kWh)	2021 UK Consumption (kWh)
Grid-Supplied Electricity (Scope 2)	229,932	256,103
Gaseous and other fuels (Scope 1)	8,604	10,644
Transportation (Scope 3)	193,853	144,186
Total Energy Use - All Scopes	**432,389**	**410,933**

Table 11: The total emission (tCO_2e) figures for reportable energy supplies are as follows. Conversion factors utilised in these calculations are detailed in the appendix.

Utility & Scope	2022 UK Emissions (tCO_2e)	2021 UK Emissions (tCO_2e)
Grid-Supplied Electricity (Scope 2)	44.46	54.38
Gaseous and other fuels (Scope 1)	1.57	1.95
Transportation (Scope 3)	45.38	33.68
Total Emissions - All Scopes	**91.42**	**90.01**

Intensity Metrics

An intensity metric of tCO_2e per UK turnover £m has been applied to our annual total emissions. A further intensity metric of tCO_2e per UK headcount has also been applied to our annual total emissions. The methodology of the intensity metric calculations are detailed in the appendix, and the results of this analysis are detailed in Table 12.

Table 12: The intensity metric of tCO_2e per £million T/O applied for the annual total consumption.

Intensity Metric	2022 UK Intensity Metric	2021 UK Intensity Metric
tCO_2e / UK turnover £m	0.79	0.70
tCO_2e / UK headcount	0.48	0.50

Intensity metrics have been calculated using total tCO_2e figures, and the selected performance indicator agreed with Alliance for the relevant report period:

- Total UK turnover (£m) in 2022: £115.5m (2021: £128.4m)
- Total UK headcount in 2022: 190 (2021: 179)

Decarbonising our Operations

Midway through 2022, we set and published our Scope 1 and 2 emissions targets:

To achieve a 65% reduction in our emissions (versus 2018 baseline) by 2025, and to achieve net zero (90% absolute reduction) by 2030.

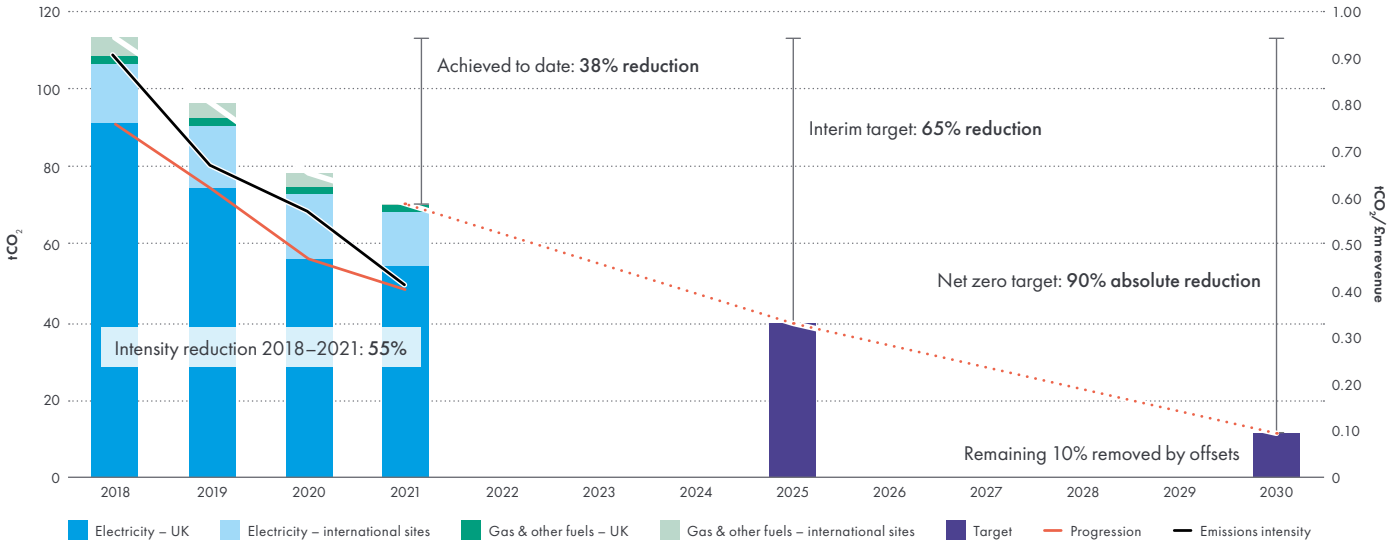
The graphic to the right shows the trajectory of our emissions from 2018 through 2021 (the latest data available at the time the targets were set), and the further reductions needed to reach our targets.

We have used 2018 as our base year so we could demonstrate the significant reduction in emissions we have achieved already through environmental improvements to our Chippenham office HQ, and to avoid using a base year, when the building usage was artificially low, due to COVID restrictions.

Whilst the environmental impact of our own operations (Scope 1 and 2) is low (less than 1% of total emissions for 2022) and considered not material to the longer term sustainability of our business, reducing them is important to us from a broader societal perspective. Our location-based Scope 1 and 2 emissions decreased by 26% between 2021 and 2022, driven by a reduction in electricity-related emissions.

We have taken several steps to decarbonise our own operations at our head office in Chippenham, completing a multi-year programme of upgrading and refurbishment works to improve the building's environmental credentials in 2021.

Scope 1 & 2 emissions – progression and targets



Environmentally efficient windows, which distribute heat outwards in warmer months while retaining heat during the winter, have been installed, reducing our energy usage. Most of our global office real estate is leased. Whenever possible, we work with property owners to optimise sustainability. Outside the UK, our office premises tend to be held on all-inclusive operating leases, which provides limited opportunities to control their environmental footprint.

However, we will be seeking to increase our understanding on an office by-office basis, to determine potential measures, as we progress through 2023.

In 2022, we submitted an application for full planning permission and listed building consent for the installation of solar PV panels on the roof of our Avonbridge site. Subject to receipt of all required permissions and consents, we intend to progress with the installation of the solar PV panels in 2023. We continue to actively identify opportunities, to reduce our Scope 1 and 2 emissions. We intend to offset these emissions to achieve carbon neutrality as an interim measure.

Scope 3

Due to the difficulty of completing this process for the first time, we initially conducted the Scope 3 data collection process using the previous year's data (2020).

In 2022, our efforts focused on aligning our Scope 3 data collection processes with the financial year reporting, collecting data for 2021 in mid-2022 and then data for 2022 at the start of 2023, ahead of the publication of our 2022 Annual Report.

The increase in Scope 3 emissions from 2020 to 2021 was primarily due to increased activity levels following the easing of pandemic restrictions and the acquisition of Amberen, coupled with an increased use of air freight versus sea freight, to mitigate ongoing pandemic-related disruptions to supply chains and available logistics capacity.

Alliance's greenhouse gas emissions increased by 27% between 2021 and 2022. The increase was mainly driven by an increase in Scope 3 Category 1 (Purchased Goods and Services), and Category 4 (Upstream Transport and Distribution) emissions.

Additionally in 2022, Alliance collected improved data for Scope 3 categories 1, 7 and 12 leading to enhanced methodologies being used for these Scope 3 categories. More information on our methodology can be found in the appendix on page 39.

We have continued to evolve our data collection processes to improve the accuracy of our Scope 3 emissions in 2022, as a precursor to setting targets for specific categories of Scope 3 emissions in 2023, as we look to further evolve our carbon action plan and climate change commitments.

Decarbonising our Value Chain

Calculating our Scope 3 emissions enables us to understand and evaluate the full impact of our operations on the environment. Given the nature of our business, with the use of third-party distributors, CMOs and LSPs, 99.89% most of our carbon emissions are classified as Scope 3.

Given the significance of the emissions linked to our supply chain and logistics activities, the environmental impacts of these activities constitute one of the material focus areas within our Sustainability Framework. The most significant emission source is still the emissions embedded in goods purchased from our CMOs, with this Scope 3 category (Category 1 –Purchased Goods and Services) accounting for over 71% of Alliance's total emissions.

By conducting a supplier engagement process, we worked with our largest CMOs and LSPs, to understand their emission sources (Scopes 1 and 2) data and reduction plans, to help improve the methodology used for our Scope 3 calculations. This helped us to identify hot spots and to actively seek opportunities to reduce the Scope 3 carbon emissions in our supply chain, as part of our overall carbonreduction plan.

This work will be ongoing through 2023 as we look to develop our Scope 3 emission reduction targets. We are also seeking ways to reduce emissions attributable to the other categories under Scope 3, for example nonstock purchases, business travel and employee commuting. Further details can be found on page 33 of our 2022 Annual Report and in our Online Sustainability Report.

Carbon Balance Sheet

Alliance's Carbon Balance Sheet shows the company's full carbon footprint for Scope 1, 2 and 3 carbon emissions for 2022.

Table 13: Carbon balance sheet.

	Greenhouse gas emissions inventory				Operational analysis	Product analysis
Emissions Scopes & Scope 3 Category	**tCO_2e (location-based)**	**% (location-based)**	**tCO_2e (market-based)**	**% (market-based)**	**tCO_2e Operational emissions**	**tCO_2e Product emissions**
Scope 1	**2**	**0.003%**	**2**	**0.003%**	**2**	**2**
Natural Gas	2	0.003%	2	0.003%	2	2
Transportation (excluding grey fleet)	0	0.000%	0	0.000%	0	0
Other Fuels	0	0.000%	0	0.000%	0	0
Scope 2	**50**	**0.11%**	**52**	**0.11%**	**50**	**50**
Scope 3	**47,973**	**99.89%**	**47,973**	**100%**	**11,852**	**43,126**
1. Purchased Goods & Services	34,345	71.51%	34,345	71.51%	3,382	30,962
2. Capital Goods	124	0.26%	124	0.26%	124	
3. Fuel-related Emissions	17	0.04%	17	0.04%	17	
4. Upstream Transportation and Distribution	6,962	14.50%	6,962	14.50%	6,962	6,692
5. Waste Generated in Operations	1	0.002%	1	0.002%	1	1
6. Business Travel	825	1.72%	825	1.72%	825	
7. Employee Commuting	499	1.04%	499	1.04%	499	
8. Upstream Leased Assets	42	0.09%	42	0.09%	42	42
9. Downstream Transportation and Distribution	4,972	10.35%	4,972	10.35%		4,972
10. Processing of Sold Products	N/A		N/A			
11. Use of Sold Products	N/A		N/A			
12. End-of-life Treatment of Sold Products	187	0.39%	187	0.39%		187
13. Downstream Leased Assets	N/A		N/A			
14. Franchises	N/A		N/A			
15. Investments	N/A		N/A			
Total All Scopes	**48,025**		**48,026**		**11,904**	**43,178**
All Scopes tCO_2e per £m turnover	**279**		**279**		**69**	**0.981 average $kgCO_2e$ per product sold**

Prioritising the Planet

Our approach

We are committed to operating our business in a responsible way, which minimises negative impacts on people and planet, makes a positive contribution to society and promotes the sustainability of our business for the longer term.

Our Sustainability Framework

Our sustainability framework identifies the key areas we are focusing on, to deliver on our purpose and assure the future of our business for the longer term. We recognise that everything we do has an impact on the natural environment. Following an internal and external stakeholder engagement process, we have identified our material focus areas from an environmental perspective as:

- Environmental impacts – supply chain and logistics.
- Environmental impacts – our own operations.
- Packaging lifecycle management.

In 2022, we continued the development of our carbon action plan and our response to climate change, looking at how we quantify and reduce our emissions, deliver sustainable change across our packaging estate and how we build an understanding of the impacts of climate change on our business, as a precursor to reporting under TCFD.

Environmental impacts – supply chain and logistics

We have a responsibility to work with our partners, to understand product-related greenhouse gas (GHG) emissions and other environmental impacts, associated with our supply chain and logistics activities (product manufacture, storage and distribution), including onward transportation of products by our distributors. Whilst we have limited control over these emissions, we are engaging on the steps that partners are taking to quantify and reduce their GHG emissions, to help us refine the calculation of our Scope 3 emissions. We would like to be able to determine the carbon footprint of each of our products on an individual basis. However, we face significant challenges associated with the availability of data and lack of a comparable basis of measurement.

Progress in 2022

- Commenced engagement with all our CMOs and our top 10 logistics partners to establish where they are on their climate change journeys, what emissions data they have and that they can share with us.
- Findings used to inform both our follow-up engagement plans for 2023 and our Scope 3 emissions calculation for 2022.

Focus for 2023

- Follow-up engagement with our CMOs and logistics partners around climate change to help improve the accuracy of our emissions calculations, with better-quality data, and to increase our understanding of their emissions reduction strategies.
- Continue to develop the understanding of our distributor logistics management activities and identify opportunities to support our distributors to reduce the emissions associated with the downstream transportation of our products.
- Work towards setting emission reduction targets for our product-related Scope 3 emissions, together with associated delivery plans.

Managing our packaging estate

Developing and implementing a sustainable packaging strategy, supported by appropriate targets and delivery plans, was one of the key focus areas we identified for 2022, to reduce the environmental impact of our product packaging. We have made good progress in 2022 to build a better understanding of our primary and secondary packaging estate, and the associated challenges and opportunities. Although we are not yet able to publish our targets relating to packaging sustainability, we will be looking to develop these during the course of 2023.

Just over half of our packaging by weight is made up of paper, metal, and glass materials for which there are already established circularity channels. Our focus will involve leveraging these channels, through better labelling of recycling instructions on packs and the use of recycled and/or FSC certified paper for our secondary packaging and instructions for use sheets.

The remainder of our estate comprises plastics, primarily rigid plastics, such as bottles and jars. The recyclability of these varies both by product, and by country. We have identified several avenues we will be exploring in 2023 to improve the environmental credentials of the plastics used in our packaging. These include:

- Reducing overall consumption through ‘right sizing’ of components.
- Increasing component recyclability, through better labelling and the switch to materials that are more widely recycled.
- Replacing PVC / PVDC plastics with alternative materials, or formats.
- Maximising the use of PCR content.

Appendix - Methodology

Scope 1 and 2 emissions

Scope 1, 2 and 3 consumption and CO_2e emissions data has been calculated in line with the 2019 UK Government environmental reporting guidance. Emissions Factor Database 2022 version 1 has been used, utilising the published kWh gross calorific value (CV) and $kgCO_2e$ emissions factors relevant for reporting period 01/01/2022 – 31/12/2022.

Estimations undertaken to cover missing billing periods for properties directly invoiced to Alliance were calculated on a kWh/day pro-rata basis at the meter level. These estimations equated to 8% of reported consumption.

For properties where Alliance is indirectly responsible for utilities (i.e. via a landlord or service charge), an average consumption for properties with similar operations was calculated at meter level and applied to the properties with no available data.

These full-year estimations were applied to one electricity supply and one gas supply.

Market-based scope 2 emissions for 2020 were not calculated but have since been calculated in 2021 and 2022. Market-based scope 2 emissions were calculated based on Alliance's electricity suppliers' reported fuel mixes, the emission factors associated with these fuel mixes are only reported on a $kgCO_2$ basis.

Intensity metrics have been calculated using total tCO_2e figures, and the selected performance indicator agreed with Alliance for the relevant report period:

- Total UK turnover (£m) in 2022 (2021) £115.5m (£128.4m)
- Total UK headcount in 2022 (2021) 190 (179)

Scope 3 emissions

All the indirect emissions (excluded in Scopes 1 and 2) that occur in our value chain.

Alliance's emissions are reported on a consolidation, operational control approach, as defined by the GHG Protocol. All emissions have been calculated following the GHG Protocol's Corporate Accounting and Reporting Standard and the guidelines of the ISO14064-1.

Unless stated otherwise, all conversion factors are sourced from UK Government (BEIS) GHG Conversion Factors for Company Reporting, v1.0 2021, and include Scope 3 Well to Tank and T&D losses. The Greenhouse Gas Protocol Value Chain methodology is followed in all cases. Well to Tank refers to the emissions associated with extracting raw materials (e.g. oil and gas), processing them into fuels and transporting them to the point of use e.g. the fuel tank or the power station. Transmission & Distribution (T&D) losses represent the electricity consumed and lost in the network between the power generators and the consumers.

Alliance Pharma plc

Avonbridge House, Bath Road, Chippenham, Wiltshire, SN15 2BB, United Kingdom
T: +44 (0)1249 466966 F: +44 (0)1249 466977 E: ir@alliancepharmaceuticals.com
www.alliancepharmaceuticals.com