

Sustainability

Ensuring that we have a positive impact, from grape to glass

Our ESG ambition

To be a leader in creating a positive impact on the environment and our communities within the drinks industry.

Environmental ambition

Strive to continuously reduce our emissions and operate in an environmentally thoughtful manner



Social

A fun, supportive and inclusive place where people are proud to work



Governance

Operate an ethical and stable business, that understands the importance of creating a culture of responsible drinking



Both the Board of Directors and Senior Management are committed to achieving our ESG ambition, and we believe that in doing so we can create a company that:

- Minimises the company's environmental impact through further product innovation, targeted operational initiatives and collaboration with our stakeholders
- Maintains an inclusive workplace that respects and values each employee's individuality, background and experience
- Supports our employee's wellbeing and creating an environment where they can thrive personally and professionally
- Operates in an open and ethically transparent manner
- Ensures all products we sell are created through the operation of an ethical supply chain, with a zero-tolerance approach to slavery and trafficking

This year we have made great progress in each of these core areas, however we are committed to continuously developing our plans and engaging with key stakeholders at each point, ensuring we are a leader within our industry.

Sustainability Governance

All departments within the business have worked hard to implement sustainable business practices over the years, however to achieve our ESG ambitions our Head of Strategic Change and Governance has taken direct responsibility for the development, and managing of, our ESG strategy. Their responsibilities include providing a monthly update to the CEO on progress within all key ESG areas.

Whilst day-to-day responsibility sits with our Head of Strategic Change and Governance, the board understands the importance of ESG within Virgin Wines, and our ESG progress and planning is routinely monitored by the board. The board also plays a key role surrounding our carbon emission targets and in approving the ESG roadmap.

Our Contribution to the United Nations Sustainable Development Goals (SDGs)

The key areas we are focusing on as business contribute towards SDGs 3, 10, 13 and 16.

We have noted throughout this report which individual areas contribute towards a particular SDG.



Sustainability continued



Environmental ambition

Strive to continuously reduce our emissions and operate in an environmentally thoughtful manner

We are proud to have made great strides this year when it comes to reviewing and implementing plans around our carbon emissions, as well as liaising with our supply chain to further our knowledge around where they are in their own sustainability journey. We believe that our plans for the coming year will take us one step closer to our ESG ambition of being a leader in creating a positive impact on the environment.

Carbon emissions

This year we compiled our first Scope 3 emissions report. All relevant categories were covered in the reporting and optional extras such as homeworking emissions were also included. The report was fully aligned with the GHG Protocol standard.

Having access to this level of detail allows us to take an in-depth look at how our business is operating and identify areas and processes that we can change to achieve carbon reductions.

We also started the process for achieving the PAS 2060 standard for Carbon Neutrality. PAS 2060 is an internationally recognised standard and one of the few officially verified routes to achieving this status, which we feel is important to avoid any association with claims of 'greenwashing'.

The process takes a few months to complete and involves our GHG report being externally audited, site visits from auditors, as well as our carbon reduction targets being reviewed and approved. To maintain our carbon neutral status, we are audited annually to ensure that we have implemented our carbon reduction plans and cannot rely purely on offsetting. We are on course to achieve certification by the end of 2022.

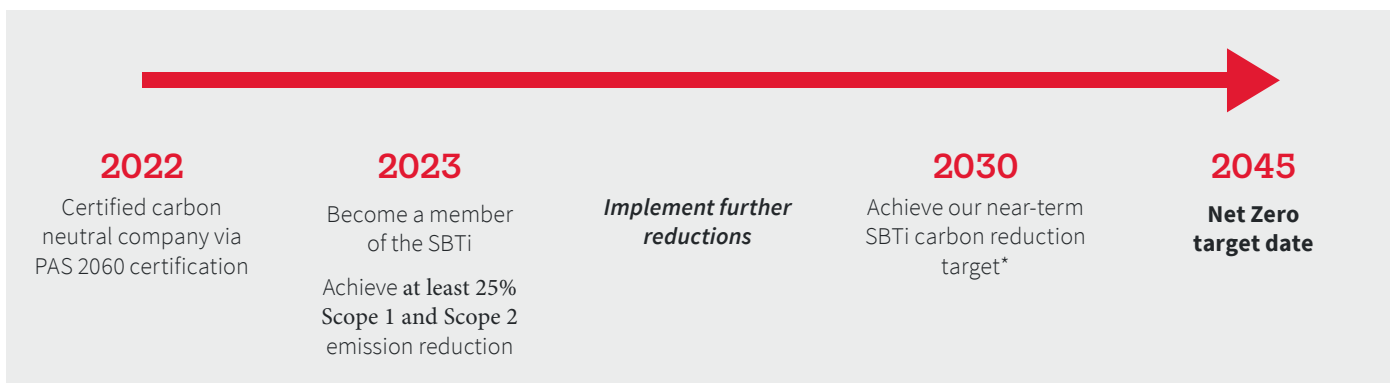
Roadmap and key focus areas

Whilst being a carbon neutral business will be an achievement, we understand that this is only a step within our journey to reduce our carbon emissions. We will be aiming to cut our Scope 1 and 2 emissions by 25% in FY23.

Next year we will also be submitting our application for the Science Based Target initiative (SBTi) and will be setting our near-term reduction targets. These targets will be aligned to the 1.5°C scenario as promoted by the Paris Agreement.



Long-term, our goal will be for Virgin Wines to achieve Net Zero by 2045.



* Date and target to be confirmed upon successful application to SBTi.

Greenhouse gas (GHG) emissions information

| | 2021/2022 (baseline year*) |
|--|-------------------------------|
| Scope 1 | 52.10 |
| Scope 2 | 67.49 |
| Scope 3 | 3,242.32 |
| Category 1 – Purchased good and services | 1.41 |
| Category 2 – Capital goods | 79.67 |
| Category 3 – Fuel and energy related emissions not included in Scope 1 and 2 | 30.32 |
| Category 4 – Upstream transportation and distribution – Wine Fusion only (28% of FY22 wines) | 2,161.52 |
| Category 5 – Waste generated in operations | 14.09 |
| Category 6 – Business travel | 14.22 |
| Category 7 – Employee commuting | 155.29 |
| Category 9 – Downstream transportation and distribution | 628.61 |
| Category 11 – Use of sold products | 127.35 |
| Category 12 – End-of-life treatment of sold products | 29.84 |
| TOTAL | 3,361.92 |
| Per employee | 17.15 |
| Per £m turnover | 48.72 |

* Previous data not included as there is a new baseline year that now includes Scope 3.

Methodology

- We have reported on emission sources required under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013 and the Streamlined Energy and Carbon Reporting requirements.
- Emissions have been calculated following the GHG Protocol standard and using the UK Government GHG Conversion Factors for Company Reporting (2021 and 2022). The operational control approach has been used, with the location-based method used for Scope 2 emissions.
- The above 2021/2022 report reflects the base year emissions submitted to NQA who have been appointed as an independent third-party to verify our GHG inventory as part of the PAS 2060 certification process.
- FY22 reporting covers all business and facility operations occurring in all three locations. It includes all applicable Scopes 1, 2 and 3 emissions except for the inclusion of only a proportion of Scope 3, category 4 emissions. Scope 3, category 4 includes the transport of 28% of wines procured within FY22 from the overseas vineyards to our warehouses. The remaining category 4 emissions were excluded as it is not feasible for the full emissions to be offset, as allowed under the PAS 2060 guidelines.



Further environmental achievements this year:

- 28% of wine we bought this year was bottled in the UK, which saves approximately 40% of the carbon emissions. We partner with Greencroft Bottling which is BRC Grade AA+ rated (the highest rating you can achieve) and is a pioneer in sustainable practices, producing its own renewable energy.
- 0% of waste from our warehouses goes to landfills. Last year we diverted 389 tonnes from landfill which instead was used for recycling (355 tonnes) or directed to an energy waste facility (34 tonnes).
- Our transit packaging is manufactured from 100% FSC certified paper, is 100% recyclable, 100% biodegradable and has up to 88% recycled content.
- We have been engaging with our suppliers to capture information around their sustainability initiatives and practices they currently have in place, or plan to introduce. This enables us to share more information with our customers on individual wines, or winemakers' environmental credentials. It also identifies partners that we can pursue working with on potential projects. We will continue collecting this information throughout the next financial year.
- We have continued to promote hybrid working to allow our staff to cut down on emissions from commuting. Commuting and homeworking emissions have both been included within our Scope 3 reporting and will be offset as part of our Carbon Neutral certification in the coming year.

Sustainability continued



Social

A fun, supportive and inclusive place where people are proud to work

Principles

Diversity and Inclusion

We are committed to creating and maintaining an inclusive workplace that respects and values each employee's individuality, background and experience.

Our People

Supporting our employee's wellbeing and creating an environment to thrive personally and professionally.

Community

Having a positive impact on people within our industry and beyond.

A year in review

Diversity and Inclusion

Started working with the Norfolk LGBT Project to support our mission of being an inclusive employer (please see case study).

Our People

Our Employee Assistance Programme offers access to fully funded counselling sessions, in addition to a range of services offering advice on personal and workplace matters, including legal and debt management advice. In the last year 5% of employees used the services provided.

We continue to run our ESG group that gives all employees a platform to input and feedback regarding all environment, social and governance issues.

We want to ensure that our employees thrive in their current and future roles. We provide funded access to external courses relevant to employees' career development as well as offering internal training, such as the Wine and Spirit Education Trust (WSET) qualifications run by an internal educator.

Community

We are delighted to have continued to partner with industry wellness initiative The Drinks Trust and mental health charity Growing Well. In addition, we introduced a staff-voted, charity of the year, which has led to us supporting Leeway, a Norwich based domestic violence charity.

Supporting a charity that has been chosen by the staff has led to fantastic levels of engagement, including taking part in the Leeway Christmas Campaign providing presents for families in refuges. Plus, a team of people have taken part in various cycling events raising over £2500 so far.

As part of our fundraising efforts, we have created a dedicated trio of wines called 'The Benevolent Range'. With every bottle sold we will donate £1 to our various charity partners.



The future

Diversity and Inclusion

- Complete tailored inclusivity training based on feedback from employees, alongside completing a set of recommended actions that will help us progress further as an inclusive business.
- Create a specific Gender Transition Leave policy.
- Commence collecting diversity data via our upcoming HR system which will allow us to further analyse diversity within our business.

Our People

- Our upcoming HR system will allow us to introduce a calendar of staff engagement surveys and easily track the results. It will also give employees instant access to policies and systems such as the EAP.
- Continue to ensure that our employees have access to training and development, both internally and externally run.

Community

Support charities within our community via donations and charitable initiatives.

SDGs

Diversity and Inclusion



Our People



Community



We started working with a local charity called The Norfolk LGBT Project to help us further incorporate inclusivity into our workplace, and support everyone in being their authentic selves at work. The starting point was a survey inviting all employees to anonymously feedback about how inclusive they felt Virgin Wines currently is. This feedback was handled and reviewed by the charity, maintaining the anonymity of our staff.

Key Findings:

- Virgin Wines scored 76% when staff were asked their position on the statement “I consider Virgin Wines to be an inclusive employer”.
- Overall, employees rated Virgin Wines as an LGBTQ+ inclusive employer, with several individuals writing that all employees are treated the same and accepted for who they are. It was also noted that several current employees openly identify as LGBTQ+.
- On average, 86% of respondents reported that they would feel confident in supporting a colleague who came out to them in the workplace.

Following on from this we are running open forums that give everyone the chance to feedback further, discuss the survey results and raise any ideas they have. Once all forums have been completed, the team at the Norfolk LGBT Project will put together an inclusivity training session tailored to the feedback we received, along with a set of recommended actions, both of which will help us progress further as an inclusive business.

Sustainability continued



Governance

Operate an ethical and stable business, that understands the importance of creating a culture of responsible drinking

Principles

Fair and ethical conduct

We are committed to ensuring all products we sell are created through the operation of an ethical supply chain. We take a zero-tolerance approach to slavery and trafficking.

Responsible drinking

As a retailer of alcohol, we understand the importance of promoting a culture of responsible drinking.

Compliance

To operate in an open and ethically transparent manner.

A year in review

Fair and ethical conduct

We strengthened our supply chain due diligence by creating a new mandatory supplier documentation pack. This pack includes the creation of a Virgin Wines Supplier Code of Conduct.

This code details the minimum standards we expect from our suppliers within key areas such as workers' rights, but it also ensures that they have similar expectations throughout their own supply chain.

A Declaration of Compliance with Modern Slavery Legislation was also created, which asks our supplier to confirm they comply with the Modern Slavery Act 2015 and to explain what measures they have in place to mitigate the risks of slavery within not only their own company, but throughout their supply chain. It also asks all companies that they are required under Section 54, to supply the latest copy of their slavery and human trafficking statement. A copy of our latest statement is included as part of the pack.

Responsible drinking

- Our focus continues to be around our responsible drinking ethos of 'drinking is only fun when you don't overdo it'. This is communicated across all customer touchpoints, and where possible we signpost to a resource page that contains practical information such as units within drinks, and where to access alcohol support services.
- We continue to offer a good range of no and low alcohol across our wine, beers and spirits. Currently we have over 20 low or no alcohol products.
- Our employees all have access to alcohol support resources and services via The Drinks Trust.

Compliance

Our company has several policies in place including:

- Insider trading policy
- Anti-bribery and corruption policy
- Whistleblowing policy

Virgin Wines is proud to be a member of the Retail of Alcohol Standards Group, which works on preventing underage drinking, as well as promoting high standards among alcohol retailers.



The future

Fair and ethical conduct

Continue communicating our new due diligence process to new and existing suppliers.

Responsible drinking

- Continue to promote our drink responsibly ethos throughout all customer communications.
- Maintain a significant range of no and low alcohol products.

Compliance

- Our upcoming HR system will ensure that all new employees have reviewed key policies during their on-boarding process, and employees will be automatically asked to review these documents annually.
- Maintain membership to the Retail of Alcohol Standards Group.

SDGs

Diversity and Inclusion



Our People



Community

