



Matthew Algie's Commitment to achieve Net Zero by 2040

From Carbon Neutral to Net Zero

At the beginning of our sustainability journey, Matthew Algie aimed for 'Carbon Neutral' operations. With recent advancements in climate science communications and a deeper understanding of our own environmental impact, we are now ready to update our climate strategy and remove these references to carbon neutrality. Today we are setting a Net Zero target. In doing so, we confirm our primary focus on reducing emissions from our operations and actively engaging in the decarbonisation of our supply chains.

Achieving Net Zero by 2040

We are dedicated to taking substantial steps to cut down the emissions associated with our business. Our 'Net Zero by 2040' roadmap will outline the specific goals and milestones we must reach to meet our target. This will include both near- and long-term targets, covering our full carbon inventory of Scope 1, Scope 2 and Scope 3.

Science-Based Targets

We have set these net zero targets in line with industry best practice. We have aligned our targets with the guidance provided by the Science Based Targets Initiative (SBTi). This alignment provides a transparent and structured trajectory for our targets and reduction efforts. While we have not yet sought external validation for our targets, we will continue to share our progress in a transparent manner through annual sustainability reports. In setting 2040 as our Net Zero target year, we are seeking to be more ambitious than the minimum requirements of the SBTi and UN Race to Zero.

Our near-term targets are as follows:

- Matthew Algie commits to reduce Scope 1+2 emissions 63% by 2035 from a 2023 base year.
- Matthew Algie commits to reduce Scope 3 emissions 63% by 2035 from a 2023 base year.

Our Net Zero targets are as follows:

- Matthew Algie commits to reduce Scopes 1+2 90% by 2040 from a 2023 base year.
- Matthew Algie commits to reduce Scope 3 emissions 90% by 2040 from a 2023 base year.

Matthew Algie's partnership with Normative

Our climate strategy has been developed in conjunction with our climate accounting partner Normative. Normative uses a science-backed emissions calculation methodology informed by the Greenhouse Gas Protocol. To achieve the most accurate calculations possible, Normative's carbon accounting engine can use both transaction and activity data in its emissions calculations, selecting the best approach depending on the type of data provided by a business. The platform then uses intelligent automation to process the business data and combines the processed data with Normative's large database of scientifically-vetted emissions factors to produce emissions calculations. In addition, Normative can collect emissions data directly from a company's suppliers to further enhance the quality of the overall calculations.

2023 Carbon Accounting Data

In collaboration with Normative, we have calculated our carbon emissions since 2021. This process allows us to map our impact, set viable targets and reduce the emissions produced by our business and supply chains.. Despite having calculated our emissions previously, 2023 is our baseline year due to Matthew Algie absorbing Capitol Foods and Tchibo Coffee International to become Matthew Algie UK and Ireland. Our 2023 calculations include data and activity from all three entities for the first time and therefore is the most accurate baseline.

Scope 1 Emissions – 3.0% of total emissions

Category	Emissions total (tCO ₂ e)
Stationary combustion	461.21
Mobile combustion	908.97

Scope 2 Emissions – 0.1% of total emissions

Category	Emissions total (tCO ₂ e)
Electricity	27.14

Scope 3 Emissions – 96.9% of total emissions

Category	Emissions total (tCO ₂ e)
Purchased goods and services	20,654.98
Use of sold products	19,635.31
Upstream transport and distribution	1,736.84
Capital goods	1,122.62
Employee commuting	413.90
Fuel- and energy-related activities	359.63
Business travel	152.80
Waste generated in operations	36.45

(Data correct as of 14/05/2024)

Scope 1 emissions totalled 1,370.19 kg CO₂e and Scope 2 emissions totalled 36.45 kg CO₂e, totalling 3.1% of our emissions produced for 2023. Scope 3 emissions make up the majority of our emissions this year, and this is to be expected; the 96.9% of Scope 3 emissions total 45,509.85 CO₂e. The highest contributor of emissions this year is 'Purchased Goods and Services', a category included for the first time this year. In addition, 'Use of Sold Products' was also included, the second biggest emissions contributor by category.

Each year we endeavour to include more data, and to increase its quality. It is important that we move away from using spend data, and towards activity data within our calculations, an aspect particularly successful this year. As we engage suppliers in our Net Zero journey, we hope that our data will continue to improve and illustrate a clear picture of our impact.