

Carbon Reduction Strategy

2012



Strategy Pillars

Our carbon reduction strategy is based on a balanced approach across four pillars. Initially focused on reducing our scope 1 and scope 2 emissions, prioritization of action is based on lowest cost of carbon abatement (or greatest return on investment).

People

- Capability
- Culture

Systems

- IT
- Processes

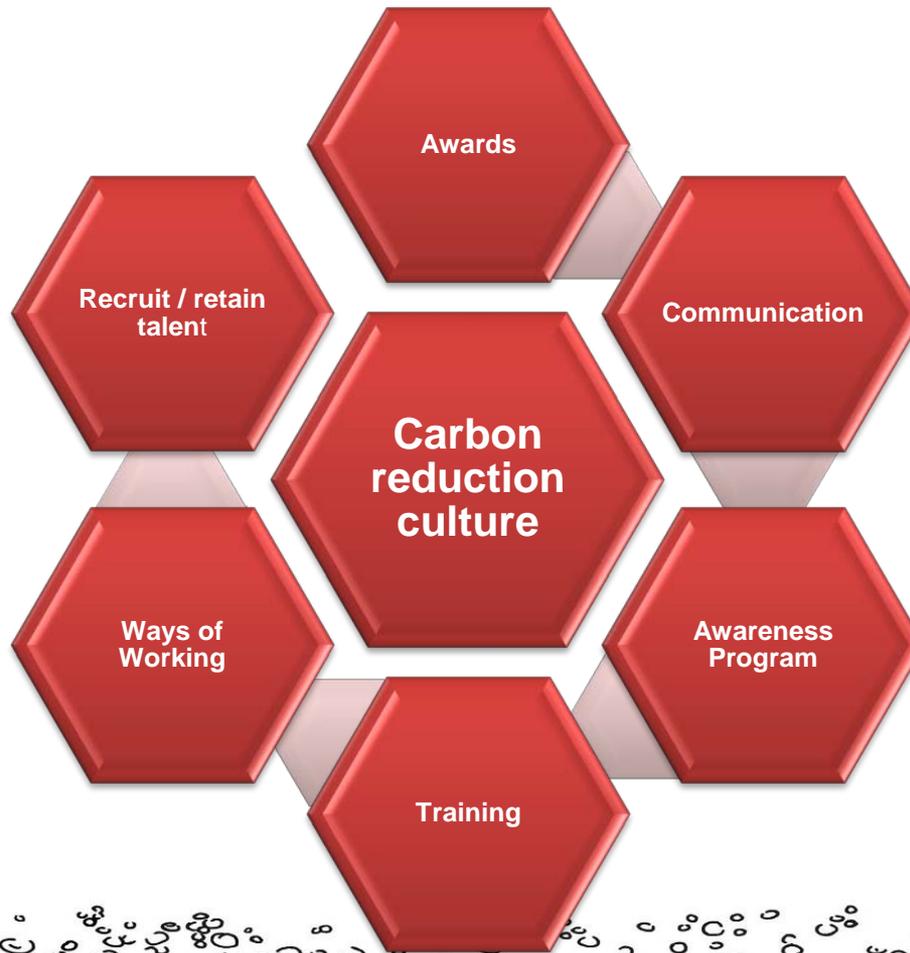
Engineering

- Efficiency
- Step change
- Fuel switch

External

- Trading
- Renewable tariffs
- Supply Chain

People Pillar



People Roadmap

- We will drive towards a carbon reduction culture by putting into place effective organisation structures and by recruiting and retaining talent in key roles.
- We will drive awareness of energy and carbon at all levels of the organisation and encourage engagement by awards and links to remuneration
- We will ensure that we put in place ways of working, frameworks, teams and resources that allow us to leverage the expertise within the business and share knowledge.
- Through internal and external communication we will ensure that carbon reduction is embedded into business as usual
- We will leverage suppliers and industry experts to import knowledge and build capability through training and sharing of best practice.

Systems pillar

IT systems

- Enterprise QEHS suite
- aM&T

Processes

- Capital approval
- Product development
- RO and review

Management Systems

- Standards
- Audits

Systems Roadmap

- Introduction of superior IT platforms will free up resources to focus on driving the carbon reduction agenda, whilst also providing tools that will allow greater interrogation and analysis of data thereby highlighting potential areas of improvement.
- Revision of business processes such as capital approval, product development, procurement and personal objectives and review; will ensure that the impact of all business activity on the carbon reduction agenda is visible.
- Embedding energy management and carbon reduction activities into global standards combined with an effective auditing program will lead to continuous improvement.
- Introduction of remote working facilities will facilitate reduced business travel driving a reduction in scope 3 emissions.

Engineering Pillar

CCS & blue sky

Supply chain
configuration

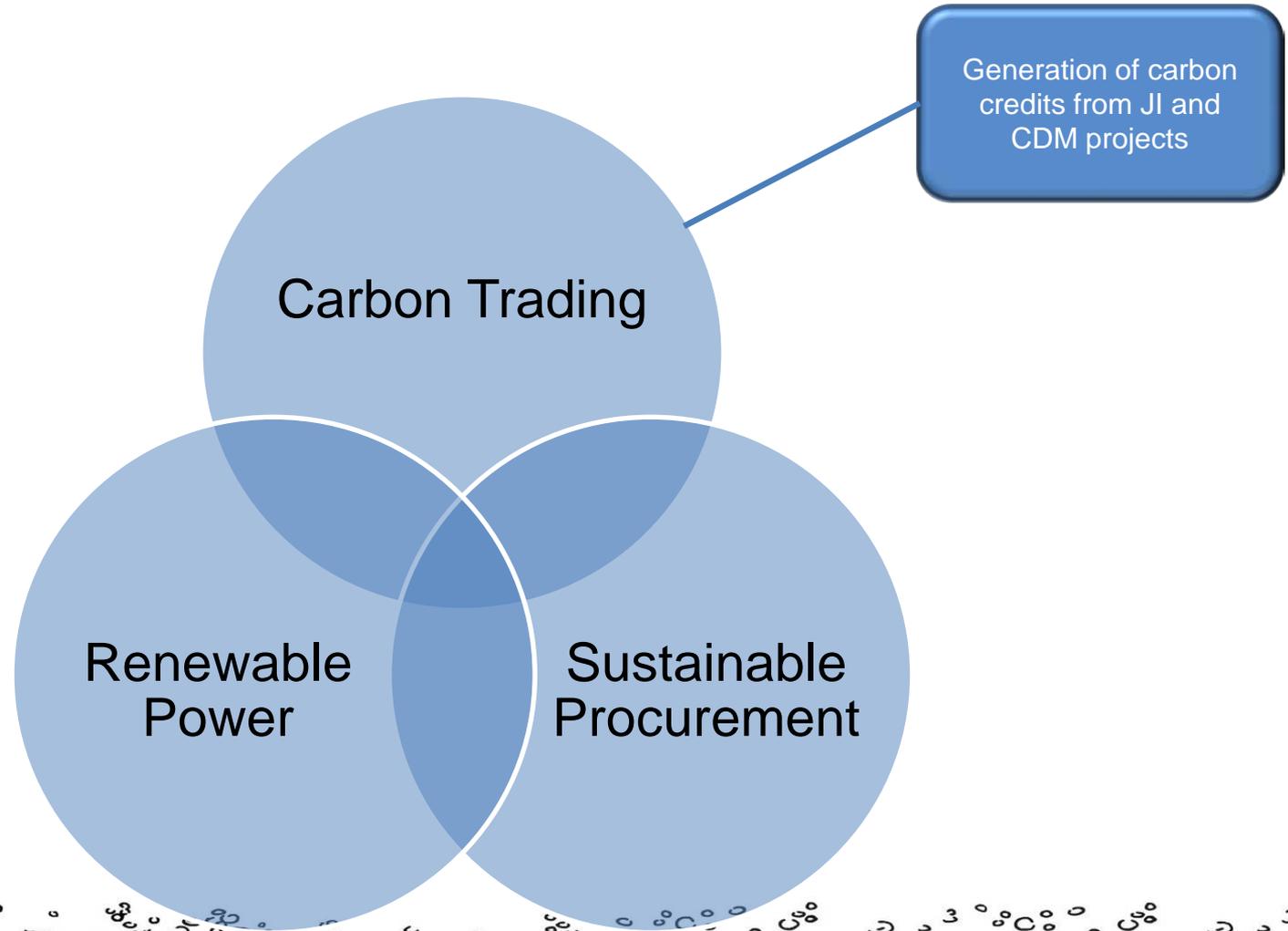
Capital projects (CHP, AD, Fuel
switching,

Energy Efficiency (low cost / no cost)

Engineering Roadmap

- Continued execution of low cost and no cost projects that minimise energy wastage forms the foundation of the energy pillar
- Execution of low carbon good practices from our UK and Canadian operations within our international business will drive significant reductions in carbon emissions
- Identification and implementation of step change capital projects that meet internal financial hurdles will drive progress building on low cost and no cost activities.
- On site renewable energy generation offers potential for exploitation as technology costs reduce and subsidies increase.
- Reduction of energy use and carbon emissions through modernisation of our brewing facilities and network optimisation (master plan in UK and Canada) presents a sizeable potential for carbon reduction
- New technologies will continue to emerge, costs of current technologies will reduce and options such as carbon capture and storage may become commercially viable.

External Pillar



External Roadmap

- Exploration of opportunities to procure renewable energy on tariffs that are commercially viable that will allow the reduction of scope 2 emissions, including dedicated offsite supplies.
- Changes in grid carbon intensity (whilst envisaged to go up short term in the UK) will work to reduce scope 2 emissions as the percentage of renewable power increases.
- Engaging with suppliers through the sustainable procurement program will enable reductions in scope 3 emissions.
- Carbon trading may be used as appropriate to offset those emissions that cannot be reduced further without an increased cost of carbon.
- Generation of carbon credits from within the supply chain will be prioritised over other types of credit.