

## Directors' report (continued)

T Lynn (appointed 15 July 2021)

C Lynn (appointed 3 May 2021)

### Research and development

The company was involved in product design during the current financial period. In the current period expenditure by the company on research and development totalled £1,056,297 (28 February 2020 – £1,160,000).

### Financial instruments

The company uses various instruments including cash and other items, such as trade debtors and trade creditors that arise directly from its operations. The existence of these financial instruments exposes the company to the usual credit risks and cash flows associated with selling on credit. The company manages these risks through credit control procedures. Details of financial risk management objectives and policies are provided in the Strategic report on page 2 and 3.

### Political donations

During the year, the company did not make a political contribution (28 February 2020 – £nil).

### Employees

It is company policy that employees are kept as fully informed as is practicable about the progress of the company through a process of regular team meetings and monthly briefings.

The company gives full consideration to applications for employment by disabled persons, and every effort is made to ensure that the training and career development of disabled persons is identical to that of all other employees.

The company subscribes to the Equality Commission.

### Environment

#### Streamlined Energy and Carbon Reporting (SECR)

Lynn's Country Foods Limited is considered a large unquoted company under the Streamlined Energy and Carbon Reporting (SECR) regulations in the UK by virtue of meeting the relevant financial thresholds.

#### *External assurance*

Lynn's Country Foods T/A Finnebrogue appointed CarbonQuota to independently assure the accuracy, completeness and consistency of energy use, greenhouse gas (GHG) emissions data and energy efficiency action.

CarbonQuota have followed the requirements of the UK Government's SECR Guidelines and the general principles of the Greenhouse Gas Protocol (Corporate Standard), with further guidance from the Greenhouse Gas Protocol (Corporate Value Chain Accounting and Reporting Standard).

#### *Operational and organisation boundaries*

The operational boundaries of this study comprised the scope 1 Green House Gas (GHG) emissions associated with combustion of gas, oil, and fuel for transport, scope 2 GHG emissions associated with purchased electricity, and scope 3 GHG emissions associated with business travel in rental vehicles and employee-owned vehicles. All other scope 1, 2 and 3 GHG emissions were excluded as permitted under SECR requirements for unquoted companies.

## Directors' report (continued)

### Streamlined Energy and Carbon Reporting (SECR) (continued)

The organisational boundaries of this study comprised the following facilities. The consolidation of facility level GHG emissions was undertaken using the operational control approach.

- Down Business Park, 46 Belfast Road, Downpatrick BT3 9UP
- CGR
- FBR
- Company vehicles

The organisational boundary excludes the parent company LCF Holdings Limited. There were no GHG removals and reservoirs within operational and organisational boundaries. We have selected to use the calendar year, being the year ended 31<sup>st</sup> December 2020.

#### Energy performance results

Energy Use (kWh)	2019 (comparative year)	2020
Transport Energy	403,312	316,474
Gas Oil	6,056,259	7,558,630
Electricity	6,263,317	7,598,586
Total	12,722,888	15,473,690

#### Carbon performance results

Carbon Dioxide Equivalent Emissions (t/CO <sub>2</sub> e)	2019 (comparative year)	2020
Scope 1 & 2 emissions	3,132	4,178
Scope 3 emissions	14	8
Total	3,146	4,186

#### Intensity ratio

Intensity Ratio	2019 Tonnes CO <sub>2</sub> e	2020 Tonnes CO <sub>2</sub> e
Per tonne of produce sold	0.146	0.133

#### Positive trends

During the past year, where production increased as an impact of the pandemic, Lynn's Country Foods reduced the intensity CO<sub>2</sub>e emissions within its direct operations by 8%.

An additional 1.5% of electricity was produced from renewable sources, which created an increase from 458,824 kWh during 2019 to 465,917 kWh during 2020.