

# Valeo Confectionery Limited

## Strategic report *(continued)*

### Streamlined Energy & Carbon Reporting

#### **(a) UK Energy Use**

The UK Energy usage for the year ending to 31 March 2021 was:

	<b>FY21</b>	<b>FY20</b>
KwH- Electricity	24,624,504.70	24,808,466.50
KwH- Gas	74,249,855.50	72,890,076.79
KwH- Business travel	565,133.44	2,186,716.19

#### **(b) Associated Greenhouse Gas Emissions:**

The table below summarises the associated emissions from each combustion source:

	<b>FY21</b>	<b>FY20</b>
	Tonnes CO2e	Tonnes CO2e
Combustion of gas (scope 1)	13,652.33	13,400.84
Purchase of electricity (scope 2)	6,234.68	6,879.39
Business travel in employee-owned vehicles where Company is responsible for purchasing the fuel (scope 3)	135.95	530.54
<b>The total gross tonnes of CO2e emitted in the year</b>	<b>20,022.96</b>	<b>20,810.77</b>

#### **(c) Intensity Ratio**

The total emissions per tonne of product sold was:

	<b>FY21</b>	<b>FY20</b>
Total Tonnes produced (t)	61,743.18	67,578.76
Total Emissions (tCO2e)	20,022.96	20,810.77
Emissions per tonnes produced (CO2/t)	0.3243	0.3079

#### **(d) Energy Efficiency Actions:**

Valeo Confectionery is committed to improving energy efficiency across all sites throughout our organisation, where practical and cost effective. Energy usage is regularly monitored and reported annually against CCA targets.

The Company is constantly striving to reduce its energy bills by various production initiatives and capital projects. In the last financial year, we have implemented a gas reduction project in York; this involved replacing an aged desiccant wheel system with more energy efficient units; the overall project is expected to generate annual savings of £7,000.

The following projects are also under consideration for future implementation; replacing the chiller unit at our Blackpool site with a more energy efficient unit, this is expected to generate annual savings of £30,000. Inverter replacement in one of our cook rooms at our Norwich site and compressor replacement at our Pontefract site.

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## Strategic report *(continued)*

### Streamlined Energy & Carbon Reporting *(continued)*

#### **(e) Methodology**

In calculating the disclosures scope 1, scope 2, and scope 3 emissions have been considered.

We are an energy intensive organisation with the majority of energy used during production, therefore our intensity ratio has been calculated using production output. Electricity and gas consumption is monitored via supplier invoices and half hourly electricity data. Business fuel usage is taken from fuel card reports, where available, otherwise fuel usage is determined via our expenses system.

We have used Government GHG reporting conversion factors and average fuel costs in our calculations. For grey fleet fuel expense claims, all vehicles are assumed to be medium sized diesel cars.

The Blackburn and Leicester sites were transferred to Valeo Confectionery on 2 October 2019; Production ceased at Leicester in December 2019, however, there continued to be some energy consumed until the site was sold in October 2020. Data for this period has been included.

The government conversion factors for Company reporting have been used to state the greenhouse gas emissions resulting from the total UK energy use from electricity, gas and transport. These figures have been presented in 'tonnes of carbon dioxide equivalent' (tCO<sub>2</sub>e) which is the universal unit of measurement to indicate the global warming potential (GWP) of GHGs, expressed in terms of the GWP of one unit of carbon dioxide. We have used the version of the factors that correlates with the data on which we are reporting. As the reporting period spans the calendar year, the factors from the calendar year in which the greatest portion of the data falls has been applied.

All known sources of environmental impact have been included within the reporting boundary and there are no specific exclusions to disclose.

The intensity ratio presented expresses tonnes of CO<sub>2</sub>e emissions per tonnes of product sold in the year. This has been chosen as an appropriate and meaningful intensity ratio as it allows for year-on-year comparison regardless of inevitable fluctuations in specific product lines sold or manufactured.

#### **Key Performance Indicators ("KPIs")**

The directors monitor the Company's progress using periodic KPIs which include but not limited to gross profitability, EBITDA (i.e. operating profit after adding back depreciation and amortisation charges), net working capital metrics, cash generation and production data.