

Lloyd Fraser Holdings Company Limited

Directors' Report (continued) For the Year Ended 28 February 2021

Greenhouse gas emissions, energy consumption and energy efficiency action

The Directors outline their Environmental and Sustainability progress for the 12 month period ending 28/2/21. It is important to highlight the predominance of Covid throughout the period, and therefore this reporting period will not be a suitable baseline for future years.

The Group is committed to improve working practices and efficiencies in all aspects of operations, most usually inevitable, within the logistical requirements of a private Limited group, serving a large range of end users, both in the dairy industry and the retail sector.

While the obvious target remains fuel, it is important to reflect the correct mindset to as many secondary aspects as possible. All sites are actively segregating waste into separate receptacles, clearly labelled, to enable a mindset of recycling. The use of paper is declining with many functions now being transferred on-line and this trend will increase still further in future years. Redundant/ out of date IT equipment, if it is unsuitable for down cycling to schools etc, will only be disposed of by the correct environmentally friendly, reputable agents. All consumable items are recycled through our nominated suppliers.

Business travel - almost totally represented by car mileage - was considerably curtailed, largely driven by Covid, with the growth of selective home working and virtual meetings. Even if the threat of Covid is totally eradicated, it is inevitable that virtual meetings will become very much the norm, which is a positive change. It is important to stress there are only limited options for home working, within a Group dominated by vehicle movements, 7 days a week. Delivery schedules - while dominated by the variable requirements of our customers - are continually analysed to reduce mileage run and time taken.

Operational/ Delivery service mileage and vehicle choice, will always be a fundamental part of all our Sustainability policies. Our objective, which aligns with our economic objectives, is to reduce miles run, thereby reducing labour used, while maintaining demanding service requirements. Annual Vehicle replacement programs are designed to remove poor performing vehicles, with increased flexibility from the introduction of smaller payload units.

While the Group operates 12 gas-driven trucking articles on contract hire terms - serious doubts remain on residual values - the mid-term objective will be to move to electricity driven trucks. We are in regular contact with vehicle manufacturers who are updating us on their present capability and suitability. The Group will continue to follow the options but serious uncertainty over charging point availability, charging time, and the uncertainty of residual values, remain. The Group will follow vehicle developments actively and be supportive to manufacturers, needing to trial prototypes.

As a business practice, the existing fleet, is fuelled by ULSD fuel (5 -7% Bio Diesel content).

The carbon emissions, for the period, have been calculated in accordance with the Greenhouse Gas (GHG) Protocol using the Government conversion factors of 2.68 for diesel and 1.51 for LPG-

Total Group Emissions 15,661 tonnes of CO₂e.

Intensity Ratio of 0.43 (tonnes of CO₂e per £000 of turnover).

The use of Electricity within the Group is largely immaterial when compared to the current use of diesel, essential to drive the vehicles fundamental to a nationwide Logistics Group. The Group though will continue to monitor electricity usage and endeavour to identify ways of working that will deliver continuous improvements.

Across the Group, through all our activities, the Directors will endeavour to deliver sustainable improvement as a fundamental aspect of all our activities, whilst at the same time delivering to both our people and our customers, our commitment to create economic and social value.