

FRESCA GROUP LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE PERIOD ENDED 30 APRIL 2021

All employees receive equal opportunities for training and career development.

The Fresca Group supports and promotes diversity in its workforce, recognising that the pool of creativity, experience and knowledge is enhanced by people of different backgrounds, age and ability.

As detailed in the Group's Equality & Diversity Policy document, the companies in Fresca Group are committed to recruitment, training and promotion free from discrimination. Full and fair consideration is given to applications for employment and promotion from disabled persons. Those employees who become disabled during the course of their employment can expect reasonable effort, adaptation and training to be given to ensure their continuing employment.

Environment

Environmental issues continue to be a highly important consideration in our supply chain and we continue to measure waste, energy, water, plastic, greenhouse gases and human impact that our businesses directly affect.

All of Fresca's retail supply businesses are members of WRAP and have actively taken steps to reduce food waste - all are zero waste to landfill sites. Being significant donors to Fareshare, and a major supplier to OddBox, it helps us achieve this goal.

Streamlined Energy & Carbon Reporting

GHG emissions and energy use data for period 25th April 2020 to 30th April 2021.

Market Based emissions	Units	Current Reporting Period (2020/21) Location Based	Comparison Reporting Period (2019/20) Location Based
Emissions from activities for which the company own or control including combustion of fuel and operation of facilities (Scope 1)	tCO2e	1,642	2,062
Emissions from purchased electricity, heat, steam and cooling purchased for own use (Scope 2)	tCO2e	3,446	4,393
Total Gross emissions	tCO2e	5,088	6,455
Energy consumption used to calculate above emissions	kWh	20,615,045	24,246,514
Intensity Measurement	Turnover (£m)	324.5	382.6
Intensity Ratio	tCO2e/£m Turnover	15.7	16.7
Total Gas Usage	kWh	985,313	851,348
Total Electricity Usage	kWh	13,558,444	15,625,140
Total Transport Usage	kWh	6,071,288	7,770,025

Fresca Group have selected an electricity contract sourced from 100% renewable energy. The effect of Fresca Group procuring energy from this source reduces our intensity ratio by 67% - dropping from 15.7 to 5.2

Quantification & Reporting Methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines and GHG Reporting Protocol – Corporate Standard. We have also used the 2020 UK Government's Conversion Factors for Company Reporting. We have used an operational approach to define our boundary and scopes.

FRESCA GROUP LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE PERIOD ENDED 30 APRIL 2021

SECR covers UK entities only and this is reflected in the SECR statement herein.

This energy and emissions data includes subsidiaries wholly owned by Fresca Group Ltd. Data for joint ventures has not been included as Fresca Group Ltd do not have control of the energy consumption at these sites.

The primary source for gas and electricity energy consumption is supplier invoices. Where invoices are not in line with the financial year, a pro rata calculation has been used to estimate the usage, which falls within the reporting period. Where supplies are not directly billed, the consumption data was provided by the landlord.

Transport usage was primarily calculated from litres used or from mileage. The source of the remainder was calculated using expense claims, on pence per mileage claims or an estimated p/ltr for refuelling claims. Where the vehicle fuel type was undefined, the mileage was split assuming 70% diesel and 30% petrol. The 2019/20 transport have been updated due to an error made in the categorisation of vehicles used that year.

Intensity Measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per £M turnover.

Measures Taken to Improve Energy Efficiency

Following the ESOS audit in November 2019 we have implemented or taken action on a number of activities.

At The Fresh Produce Centre, we have optimised space and reduced consumption by decommissioning some of our under-utilised buildings. We have also taken steps to improve our heating and water systems.

We have upgraded our freezer facilities at our Southampton site, which will yield energy efficiencies.

We have implemented further energy saving projects at both The Fresh Produce Centre and Primafruit.

We have signed off the installation of Solar PV projects to be installed on DGM Growers and Primafruit roof spaces. This has been slightly delayed by Covid-19, but will be installed later in 2021.

We are in the survey stages of Solar PV viability for The Fresh Produce Centre.

When all of the projects above are completed, we will see a reduction in excess of 33% of all electricity consumed for the group.

We can proudly state that all electrical energy for Fresca Group is purchased from renewable sources.

Information on exposure to price risk, credit risk, liquidity risk and cash flow risk

Price risk

Prices of fresh produce are subject to the vagaries of both demand and supply, both of which are often weather related. The group expects group entities to manage this risk sensibly, securing long-term fixed price contracts when appropriate or trading in the open market when this is appropriate. Circumstances vary across group entities and multiple seasonal changeovers. The group recognises and understands this and as such there is no central policy, but rather bespoke policies across each group entity.

Credit risk

Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Credit risk across the group is largely attributable to trade receivables and in turn predominantly to large UK retailers for whom the risk of material default is low. The group also serves, largely through our Wholesale