



## Strategic Report

### Financial risk (continued)

#### Foreign currency

The group has limited exposure to foreign currency fluctuations and considers forward exchange contracts for major foreign currency exposure where appropriate.

#### Price risk

The group is exposed to commodity price risk as a result of its operations. However, given the size of the group's operations, the costs of managing exposure to commodity price risk exceed any potential benefits. The directors will revisit the appropriateness of this policy should the group's operations change in size or nature. The group has no exposure to equity securities price risk, other than in respect of investments in the defined benefit pension scheme.

#### Energy

The business operates risk management processes for the procurement of both electricity and gas contracts.

### Business continuity and disaster recovery

A disaster recovery plan is in place to deal with any major event that would disrupt the running of the business. In addition to individual stores, this covers the potential for significant incidents within the central operations that support the stores including IT and the Central Warehouses.

### Reputational risk

Adverse publicity in relation to the brand could have a detrimental impact on the group's reputation and future sales and profits. It is the group's policy to ensure that colleagues operate within safe and legal guidelines for product handling and working standards. These guidelines are reviewed regularly by the Board and Senior Management.

### Streamlined Energy & Carbon Reporting

The information below summarises the energy usage, associated emissions, energy efficiency actions and energy performance for the group, under the government policy Streamlined Energy & Carbon Reporting (SECR), as implemented by the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

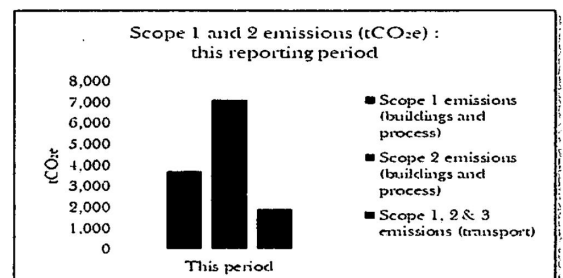
Under the new SECR legislation we are mandated to include energy consumption, emissions, intensity metrics and all energy efficiency improvements implemented in our most recent financial year.

#### Year 1

Scope 1 direct emissions (combustion of natural gas and transportation fuels) for this first year of reporting are 5,658.94 tCO<sub>2</sub>e, resulting from the direct combustion of 28,327,218 kWh of fuel.

Scope 2 indirect emissions (purchased electricity) for this first year of reporting are 7,142.16 tCO<sub>2</sub>e, resulting from the consumption of 30,634,624 kWh of electricity purchased and consumed in day to day business operations.

Operations have an intensity metric of 3.99 tCO<sub>2</sub>e per FTE for this reporting year.





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### Streamlined Energy & Carbon Reporting (continued)

#### Annual Reporting Figures

The total consumption (kWh) and emission (tCO<sub>2</sub>e) figures for energy supplies reportable by the group are detailed below with conversion factors to tCO<sub>2</sub>e detailed in the Appendix section below:-

Utility and Scope	2020/21 UK Consumption (kWh)	2019/20 UK Consumption (kWh)	Year on Year change %	2020/21 UK Consumption (tCO <sub>2</sub> e)	2019/20 UK Consumption (tCO <sub>2</sub> e)	Year on Year change %
Grid-Supplied Electricity (Scope 2)	30,634,624	31,745,640	-3%	7,142.16*	7,401.18	-3%
Gaseous and other fuels (Scope 1)	20,350,763	20,919,656	-3%	3,741.89	3,846.50	-3%
Transportation (Scope 1 and 3)	7,976,454	8,414,476	-5%	1,917.05	2,019.00	-5%
<b>Total</b>	<b>58,961,841</b>	<b>61,079,772</b>	<b>-3%</b>	<b>12,801.10</b>	<b>13,266.68</b>	<b>-4%</b>

\*Please note that the Electricity consumption is from 100% green electricity sources and is REGO backed.  
The emission shown are based on location-based emissions.

An intensity metric of tCO<sub>2</sub>e per FTE has been applied for the annual total emissions for the group. The methodology of the intensity metric calculations are detailed in the section (reporting methodology), and results of this analysis is as follows:

Intensity Metric	2020/21 UK Intensity Metric
tCO <sub>2</sub> e / FTE	3.99
tCO <sub>2</sub> e per £m turnover	45.07

#### Reporting Methodology

Scope 1 and 2 consumption and CO<sub>2</sub>e emission data has been calculated in line with the 2019 UK Government environmental reporting guidance. For transportation, the group has analysed fuel card usage and mileage information to establish the level of Scope 1 and 3 emissions for fleet, company cars and business mileage. The following Emission Factor Databases consistent with the 2019 UK Government environmental reporting guidance have been used, utilising the current published kWh gross calorific value (CV) and kgCO<sub>2</sub>e emissions factors relevant for reporting year 28/03/2020 - 27/03/2021:

Database 2020, Version 1.

Estimations undertaken to cover missing billing periods for properties directly invoiced to the group were calculated on a kWh/day pro-rata basis at meter level. These estimations equated to 4% of reported consumption. These full year estimations were applied to 2 electricity supplies for the group.

Intensity metrics have been calculated utilising the 2020/21 reportable figures for the following metrics, and tCO<sub>2</sub>e for both individual sources and total emissions were then divided by this figure to determine the tCO<sub>2</sub>e per metric:

- Total turnover (£m) £284m
- Full time equivalents (FTE) 3,208

#### Energy Efficiency Improvements

##### Measures ongoing and undertaken through 2020/21:

The group entered into a framework agreement with "E.ON" to focus on energy efficiency projects for future store developments. It also invested and upgraded commercial fleet vehicles for more, lower emissions emitting diesel vehicles. The electricity purchased is sourced from 100% renewable, green generation and is REGO backed. Government restrictions have had an impact on the number of energy efficiency projects that could be undertaken during the 2020 reporting year.