



## Group strategic report

### FOOD FOR A BETTER WORLD

We make and deliver great food, but for it to be truly great it not only has to taste good, but it must be made responsibly and with care too.

We believe that everything is connected. A healthier planet creates better ingredients, which create more delicious and nutritious food, and this in turn creates healthier people and communities. We seek to improve the lives of people living in our communities and our planet through the work we do and the way we work.

We have pledged to deliver on seven sustainability hero targets to help us create a more sustainable future for our planet, products and people.

Here are our long-term ambitions and targets for year one from May 2021 to May 2022....

#### Our ambition on Emissions

To achieve net zero emissions across the Group's own operations by 2030 and our entire supply chain by 2040.

#### By May 2022 we are aiming to...

- Reduce our carbon emission intensity by 3% against a 19/20 baseline
- Set science-based reduction targets (Scope 1, 2 and 3 emissions)
- Source credible initiatives to offset residual emissions

We have our sights firmly set on achieving net zero for scope 1 and 2 emissions, which are emissions directly produced by our business and the utilities we use to operate, by the end of 2030. We aim to achieve net zero on Scope 3 emissions, which are emissions produced in our supply chain, by 2040. Whilst we work on our projects to reduce our emissions, recognising we will not get there overnight, in FY22 we will offset our gross scope 1 and 2 emissions for FY21 by signing up to the United Nation's Climate Neutral Now Initiative and investing in a diverse range of accredited initiatives.

#### Our ambition on Plastics

To join the UK Plastics Pact and work towards refillable solutions.

#### By May 2022 we are aiming to...

- Align each business with the UK Plastics Pact
- Audit the amount of plastic packaging used

- Commit to introducing no new single-use plastic and to only use packaging with 30% minimum recycled content for any new consumer products
- Offer customers options to refill and re-use
- Review all our consumer packaging against 'On Pack Recycling Label' (OPRL) criteria

Plastic has been on the sustainability agenda for a number of years and we have already started a number of workstreams to reduce the amount of plastic packaging we use. We have carried out a number of research projects to test ideas and learn as we go. Abel & Cole was the first online food retailer to offer refillable products with Club Zero, which offers customers staple pantry items like lentils, porridge oats and cashews in fully reusable, returnable pots, which are collected the following week to be washed and reused again.

This year will see us build on our plastics work, as our commitment to making more of recycled or refillable options becomes even more embedded in our businesses.

#### Our ambition on Traceability

By 2030, we will be able to trace 100% of ingredients or products over which we have direct control back to their origin in all of our businesses.

#### By May 2022 we are aiming to...

- Ensure a workable and accurate traceability system is in place that is independently audited annually and internally at least every quarter with a minimum 95% success rate
- Introduce a standardised group Ethical and Sustainable Procurement Policy
- Introduce a Group Technical Sourcing Policy and annually review supplier codes of conduct

We have two workstreams under traceability – food safety and ethical supply chain. The food safety element is led by our technical teams and focuses on governance and food security with robust internal and external audit processes and targets that push us to go above and beyond BRC requirements and industry best practice. In addition to this, we have a separate team of colleagues from across all of our businesses ensuring the ethics of our supply chains comes under similar scrutiny.



## Directors' report

The directors present to the members their report and the audited Group financial statements for the financial year ended 24 April 2021.

### PRINCIPAL ACTIVITIES

The principal activities of the Group are the manufacture, distribution and sale of food products to manufacturers, retailers, food service operators and consumers.

A summary of the Group's financial performance and key performance indicators together with a review of the business and its future developments are dealt with in the Group Strategic report and Governance statement which form part of this annual report.

### DIRECTORS

The directors holding office during the financial year and up to the date of signing the financial statements were:

N A M Oughtred - Chairman

J Watson – Chief Executive Officer

M Turner – Chief Financial Officer

A Wheelwright – Non Executive (resigned 4 November 2020)

S Eastaugh – Non Executive

A Davis – Independent Non Executive

R White – Independent Non Executive

S Wyse – Non Executive (resigned 3 June 2020)

M Oughtred – Non Executive (appointed 6 October 2020)

In accordance with the Articles of Association N A M Oughtred retires by rotation and offers himself for re-election.

Qualifying third party indemnity provisions as defined by Section 234 of the Companies Act were in place throughout the year.

### DIVIDENDS

No interim dividend has been paid (2020: £nil). The company paid a preference share dividend amounting to £59,000 (2020: £59,000). The aggregate dividends on the ordinary shares recognised as an expense during the year amount to £nil (2020: £1,745,135). Given the unprecedented circumstances arising from COVID-19, it is important to conserve cash. As such, the Board has not paid an interim dividend and is not proposing a final dividend.

### CHARITABLE AND POLITICAL CONTRIBUTIONS

The Group has a committee to oversee charitable giving and payments of a charitable nature made during the financial year amounted to £251,000 (2020 - £267,000).

In addition the Group has continued their food donations to the communities within which it operates in response to food shortages throughout the pandemic. Whilst voluntary opportunities were limited during the year, some of our colleagues still managed to find ways to help out in our communities.

A guiding principle is that a community should be a better place for having one of our businesses there. The focus of many of the charitable donations was the communities in which the company operates.

The Group made no political donations.

### STREAMLINED ENERGY AND CARBON REPORTING

A healthier planet creates better ingredients, which create more delicious and nutritious food, and this in turn creates healthier people and communities, and a healthier planet. We seek to make continuous, measured improvements through the work we do and the way we work - creating food for a better world.

#### Scope of report

This report summarises our Scope 1 and Scope 2 emissions for all UK operations FY21.

**Scope 1** are our direct emissions, i.e. the emissions we have generated producing and transporting the food products we sell. **Scope 2** are associated indirect emissions, which come from the utilities we consumed to operate, such as mains electricity and gas, and the fuel used in our fleets.

**Scope 3** emissions are not reported here as these are generated by others within our supply chain that are not under our direct control. These emissions are however by far the largest portion of total emissions generated by the full lifecycle production and consumption of our products and we are working hard with our suppliers and customers to understand how best to reduce our collective carbon footprint to limit environmental and/or social harm.

All figures relate to the period May 2020 to April 2021 as per our financial year and May 2019 to April 2020, our previous financial year. Energy consumption is taken from supplier invoices; sales data relates to invoice quantities.