



Streamlined Energy and Carbon Reporting Summary

ASDA Group Limited

September 23rd 2021

Version 3.0 Final

Streamlined Energy and Carbon Reporting 2020 Summary Report

Prepared for:

Luke Ryan
ASDA Group Limited
ASDA House
South Bank
Great Wilson Street
Leeds
LS11 5AD

E-mail: luke.ryan@asda.co.uk

Prepared by:

Geoff Smyth
Associate Director, Carbon Trust
4th Floor Dorset House,
Stamford Street,
London SE1 9NT.

Email: geoff.smyth@carbontrust.com

Reviewed by:

Rachel Barker,
Joint Interim Head of Assurance, Carbon Trust

Email: rachel.barker@carbontrust.com

Disclaimer

Whilst reasonable steps have been taken to ensure that the information contained within this publication is correct, the authors, the Carbon Trust, its agents, contractors and sub-contractors give no warranty and make no representation as to its accuracy and accept no liability for any errors or omissions. All trademarks, service marks and logos in this publication, and copyright in it, are the property of the Carbon Trust (or its licensors). Nothing in this publication shall be construed as granting any licence or right to use or reproduce any of the trademarks, services marks, logos, copyright or any proprietary information in any way without the Carbon Trust's prior written permission. The Carbon Trust enforces infringements of its intellectual property rights to the full extent permitted by law.

The Carbon Trust is a company limited by guarantee and registered in England and Wales under company number 4190230 with its registered office at 4th Floor Dorset House, Stamford Street, London SE1 9NT.

Published in the UK: 2021.

© The Carbon Trust 2021. All rights reserved.

Contents

1. Introduction	4
2. SECR qualification, scope and boundaries	5
2.1 SECR Qualification Criteria.....	6
2.2 Organisational Boundary.....	6
2.3 Operational boundary and data sources	6
3. Methodology.....	8
3.1 Methodology.....	9
4. SECR energy and carbon emissions summary.....	10
4.1 SECR energy summary.....	11
4.1.1 Energy use breakdown	11
4.1.2 Energy type breakdown	12
4.2 SECR carbon emissions summary	13
4.3 Emissions Intensity.....	13
4.4 Energy Efficiency Actions.....	14
5. SECR summary information for Annual Report.....	15
5.1 SECR summary for Annual Report	16
5.1.1 SECR Summary for Directors Report	17
5.1.2 Annual Report Summary using FRC’s SECR Taxonomy v1.0.0.....	18

1. Introduction

The UK Government's Streamlined Energy and Carbon Reporting (SECR) policy was implemented on 1 April 2019, when the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 came into force.

Three groups of businesses are affected by the new regulations. Companies that fall within the following definitions must comply unless they meet certain exemption criteria:

- Quote companies of any size
- Unquoted 'large' companies
- 'Large' Limited Liability Companies (LLPs)

Unquoted companies or LLPs are defined as 'large' if they meet at least two of the following criteria in a reporting year:

- A turnover of £36m or more
- A balance sheet of £18m or more
- 250 employees or more

The reporting of energy and carbon data is required for financial years beginning on or after 1st April 2019.

Accompanying this report is an evidence pack containing all the raw data, analysis and calculations. This is presented in the *Excel* model "ASDA Org Footprinting Tool 2020.xlsm".

This report (v3) supersedes all previous versions and has been updated to account for GHG emissions arising from:

- R404a-R and R448a refrigerant leakage / discharges. R404a-R is not a standard refrigerant code and we have assumed all such reported discharges to be R404a. R448a is a blend of HFCs (R32=26%, R125=26%, R134a=21%), with HFO components (R1234yf=20%, R1234ze=7%). It is not listed on BEIS' standard conversion factors and was not included within previous models. However, as an HFC blend containing Kyoto Protocol gasses, it has been included in this revised model and updated report;
- Reported refrigerant leakage / discharges from transport fleet;
- Additional reported LPG consumption across distribution centres and stores; and
- Additional reported gas oil, fuel oil and red diesel across depots and stores.

2. SECR qualification, scope and boundaries

2.1 SECR Qualification Criteria

ASDA Group Limited (ASDA) is required to comply with the Companies (Director's Report) and LLP (Energy and Carbon Report) Regulations 2018 and report against the SECR framework as a 'large' unquoted company.

Table 1. SECR Qualification criteria. Confirmation source: Annual Report 2019

Reporting period	1 January 2020 – 31 December 2020
Sales Revenue (turnover) £million	>£36m
No. of employees (FTE)	>250
Balance Sheet	>£18m

2.2 Organisational Boundary

The company structure and UK company registration details are detailed on worksheet "Organisational Boundary" within the accompanying *Excel* model "ASDA Org Footprinting Tool 2020.xlsm".

2.3 Operational boundary and data sources

An operational control approach has been used to determine the energy and emissions sources included within the SECR operational boundary for ASDA Group Limited. The minimum SECR requirements for a 'large' unquoted organisation have been met, namely all UK energy and emissions sources for electricity, natural gas, LPG and transport fuels for which the organisation is responsible are included. In addition, ASDA has elected to report their use of liquid fuels (in stationary applications) and greenhouse gas (GHG) emissions associated with their use of refrigerants (included within scope 1 emissions).

All information and activity data on which this assessment is based was provided via email and *Teams* meetings. An evidence pack containing the raw data provided for the assessment together with the analysis and calculations is presented within the accompanying *Excel* model "ASDA Org Footprinting Tool 2020.xlsm".

Table 2. SECR operational boundary and key data sources.

Energy and emissions sources	Operational Control	UK energy and emissions data sources
Building energy	ASDA & IPL	Consolidated monthly invoice data. Source file: "SECR Data request for Gas Electricity Solar and Refrigeration Gas January – 2020.xls"
Transport and distribution	ASDA	Source files: <ul style="list-style-type: none"> • Scania LNG Usage 2020.xls • Asda – SECR 2020- Data Request Fleet Diesel and Gas Usage.xls • ASDA Fleet Transport Fuel Usage Summary 2020.xls • Harvest ASDA DC AND FC Diesel 2020.xls • Volvo LNG Usage 2020.xls
Owned/leased vehicles	IPL	Employee car business mileage expense claims
Grey Fleet	ASDA	Source files: <ul style="list-style-type: none"> • Allstar online Fuel cards YTD 2020.xls • Business Mileage Totals 2020.xls
LPG	ASDA	Source file: "Sean Clifton 03092021 ASDA.xls"
Gas oil / fuel oil / red diesel	ASDA	Source file: "Fuel Oil By Store Rework_2019 and 2020_excl AB.xls"
Transport fleet refrigerant emissions	ASDA	Source files: <ul style="list-style-type: none"> • Carrier Asda Refrigerant Usage Report 2019-2020 Aug21.xls • GAH Asda January 2019 - December 2020 Gas Usage.xls

3. Methodology

3.1 Methodology

All the SECR requirements for unquoted 'large' companies have been met with energy consumption and associated emissions reported. This includes UK consumption of electricity, natural gas, LPG, oil and transport by ASDA.

The methodology used to calculate emissions is the WBCSD/WRI 'Greenhouse Gas Protocol: a corporate accounting standard: revised edition' in conjunction with UK Government 'environmental reporting guidelines including SECR guidance, March 2019'. Emissions have been calculated using the UK Government published 'greenhouse gas emissions conversion factors for company reporting 2020'. An operational control approach has been taken.

No formal third-party data verification of the energy and emissions data has been carried out.

4. SECR energy and carbon emissions summary

4.1 SECR energy summary

ASDA Group Limited total energy consumption for 2020 period from electricity, natural gas and transport fuels for which the organisation is responsible is 2,302,118,863 kWh. The breakdown by energy use and type is shown below.

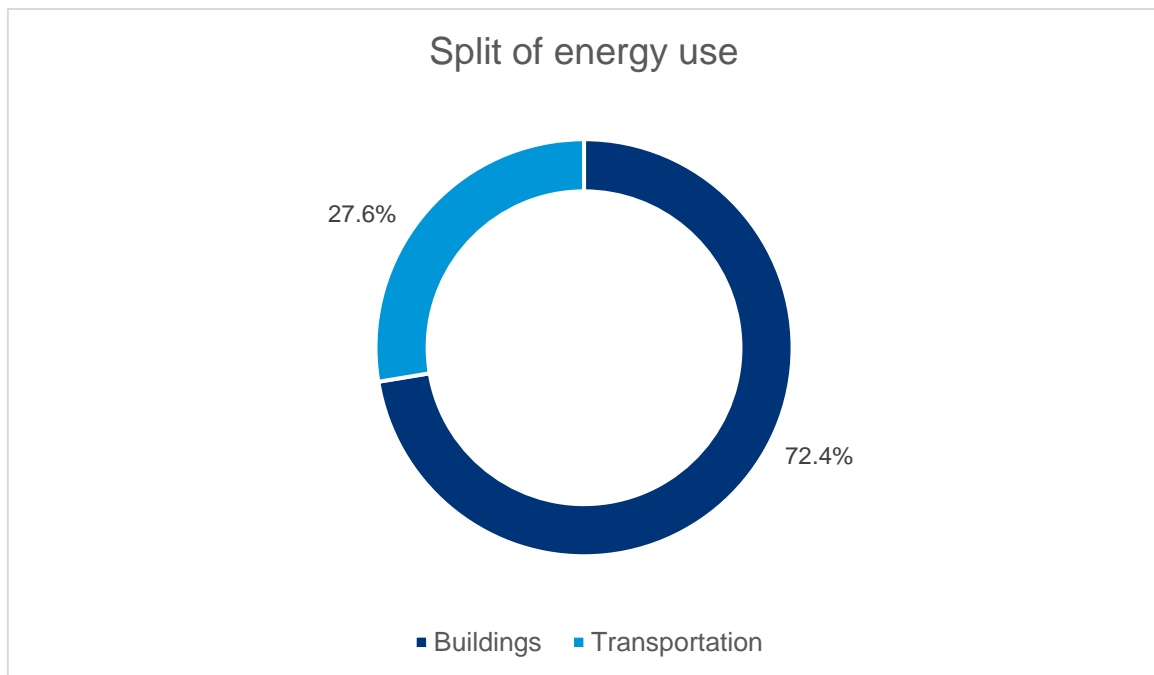
As this is the first SECR period, only one year’s data is reported, in future years the energy consumption for the previous year will also be reported.

4.1.1 Energy use breakdown

Table 3. Energy consumption by energy use

Category	Electricity (kWh)	Natural Gas & LPG (kWh)	Transport Fuels (kWh)	Other - Oil (kWh)	Total (kWh)	% Contribution
Building energy	1,118,585,995	462,336,492		85,059,695	1,665,982,182	72.37%
Transport			636,136,681		635,421,825	27.63%
Total	1,118,585,995	462,336,492	636,136,681	85,059,695	2,302,118,863	100%

Figure 1. Energy use breakdown

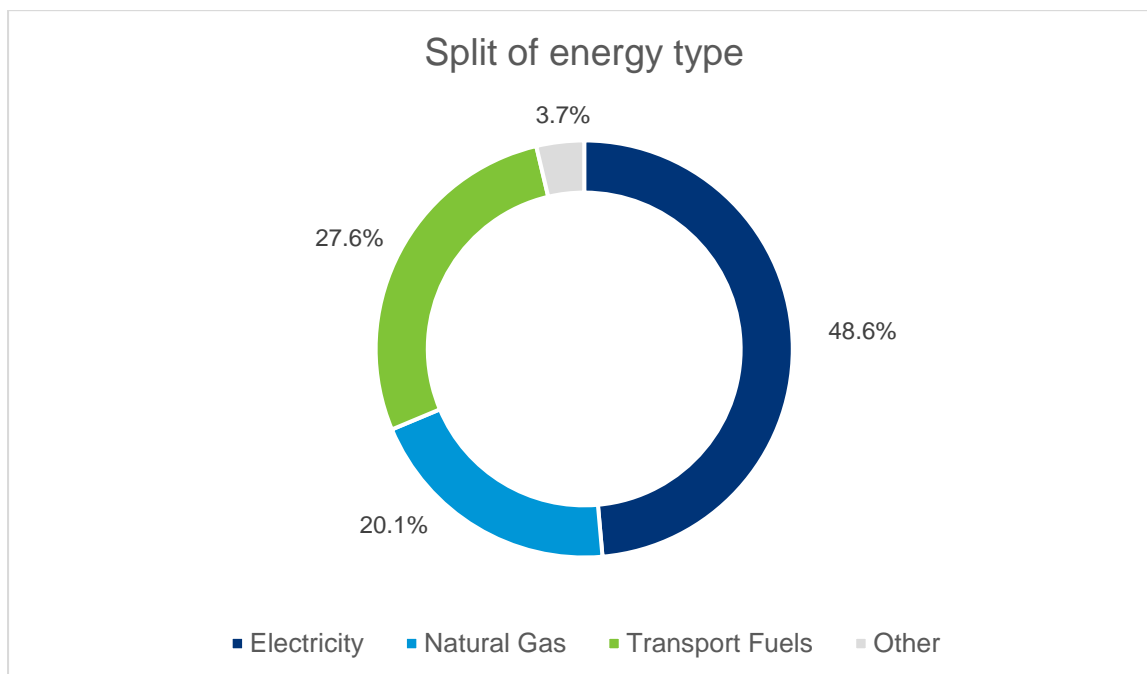


4.1.2 Energy type breakdown

Table 4. Energy consumption by type

Energy Source	2020 Consumption (kWh)
Electricity consumption (kWh) (inc. onsite PV generated)	1,118,585,995
Natural gas consumption (kWh)	462,336,492
Transport fuels energy consumption (kWh)	636,136,681
Other (kWh)	85,059,695
Total SECR energy consumption (kWh)	2,302,118,863

Figure 2. Energy type breakdown



4.2 SECR carbon emissions summary

The carbon emissions associated with the energy consumption are calculated using UK Government GHG conversion factors for company reporting 2020¹. Within the SECR boundary, ASDA Group Limited's total GHG emissions (scope 1, 2 & 3) for the period 2020 are **645,497 tonnes CO2e**.

As this is the first SECR period, only one year's data is reported, in future years the emissions for the previous year(s) will also be reported.

Table 5. SECR carbon emissions summary

SECR Emissions	Tonnes CO2e	% Contribution
Scope 1 emissions ¹	385,010	59.6%
Scope 2 emissions	259,506	40.2%
Scope 1 & 2 emissions	644,516	99.8%
Scope 3 emissions – business travel where responsible for fuel	981	0.2%
Total Scope 1, 2 & 3 emissions	645,497	100%

¹ This figure includes 119.4 tCO2e fugitive emissions from refrigerant leakage / discharges

4.3 Emissions Intensity

ASDA Group Limited has chosen to report its emissions intensity using the £million in sales. For 2020, the emissions intensity of total gross emissions (scope 1,2 and 3) is **28.36 tCO2e/£million in sales**.

As this is the first SECR period, only one year's data is reported, in future years the emissions intensity for the previous year(s) will also be reported.

Table 6. Emissions intensity summary

Emissions intensity summary	2020
Total scope 1, 2 and 3 emissions (tonnesCO2e) ¹	645,497
Intensity metric (£million in sales)	22,760
Emission intensity (tonnesCO2e/£million in sales)	28.36

¹ This figure includes 119.4 tCO2e fugitive emissions from refrigerant leakage / discharges

¹ <https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2020>

4.4 Energy Efficiency Actions

As part of the commitment to reduce the Group's scope 1 & 2 emissions by 50% by 2025 various energy saving initiatives have been adopted in the year across the Group's stores, depots and distribution network.

Investment in smart fridge technology has enabled the Group to remotely fix issues which reduces engineer visits to stores meaning fewer journeys on the road. Chilled and frozen food displays have been transformed by installing more energy and carbon-friendly technology to improve efficiency.

Shop floor lighting has been converted to LED and is now remotely controlled by the Group's central energy centre resulting in more efficient lighting and reductions in wasted energy. Lighting across depots and distribution centres continues to be converted to LED.

The Group's energy usage continues to be controlled and monitored by a central energy centre utilising an automated monitoring and targeting platform to support the optimisation of energy use across the estate. The rollout of in-store 'internet of things' (IoT) networks also allows more equipment to be centrally controlled enabling the optimisation of a greater percentage of store energy use.

From a transport perspective, the Group continues to operate one of the largest double-deck fleet in the UK allowing the movement of more product on single journeys to reduce trips, mileage and emissions. In the year, the Group has been trialling lighter vehicles and initiated the conversion to a gas-powered logistics fleet.

5. SECR summary information for Annual Report

5.1 SECR summary for Annual Report

This section of the report presents the SECR information which needs to be included in the Directors Report (or Strategic Report) of ASDA Group Limited's Annual Report and filed with Companies House to comply with the Companies (Director's Report) and LLP (Energy and Carbon Report) Regulations 2018.

Example summary wording is presented below to meet the minimum reporting requirements. The UK government is encouraging companies to use the Financial Reporting Council (FRC) Taxonomy for SECR and this reporting structure is also presented.

5.1.1 SECR Summary for Directors Report

ASDA Group Limited is reporting against the Streamlined Energy and Carbon Reporting (SECR) framework for the first time. The reporting period is 1st January 2020 to 31st December 2020.

ASDA Group Limited is reporting as a 'large' unquoted company and all the minimum requirements have been addressed and are presented here.

The methodology used is the WBCSD/WRI Greenhouse Gas Protocol: a corporate accounting standard revised edition in conjunction with UK Government environmental reporting guidelines including SECR guidance. An operational control approach has been taken. We have used the UK Government greenhouse gas conversion factors for company reporting 2020. Scope 2 emissions from purchased electricity have been measured using a location-based approach.

ASDA Group Limited total energy consumption for 2020 is **2,302,118,863 kWh**.

For 2020, the total GHG emissions associated with our reported energy and refrigerant use are **645,497 tonnes CO2e**, with the following breakdown by scope:

Table 7. Carbon Emissions Summary

Carbon Emissions	2020
Scope 1 emissions (tonnes CO2e)	385,010
Scope 2 emissions - purchased electricity (tonnes CO2e)	259,506
Scope 3 emissions – business travel where responsible for fuel (tonnes CO2e)	981
Scope 1, 2 and 3 emissions (tonnes CO2e)	645,497

For 2020, our emissions intensity, measured as the total scope 1,2 and 3 emissions (including refrigerant emissions) relative to the total number of orders fulfilled is **28.36 tonnes CO2e per £million in sales**.

As part of the commitment to reduce the Group's scope 1 & 2 emissions by 50% by 2025 various energy saving initiatives have been adopted in the year across the Group's stores, depots and distribution network.

Investment in smart fridge technology has enabled the Group to remotely fix issues which reduces engineer visits to stores meaning fewer journeys on the road. Chilled and frozen food displays have been transformed by installing more energy and carbon-friendly technology to improve efficiency.

Shopfloor lighting has been converted to LED and is now remotely controlled by the Group's central energy centre resulting in more efficient lighting and reductions in wasted energy. Lighting across our depots and distribution centres continues to be converted to LED.

The Group's energy usage continues to be controlled and monitored by a central energy centre utilising an automated monitoring and targeting platform to support the optimisation of energy use across the estate. The rollout of in-store 'internet of things' (IoT) networks also allows more equipment to be centrally controlled enabling the optimisation of a greater percentage of store energy use.

From a transport perspective, the Group continues to operate one of the largest double-deck fleet in the UK allowing the movement of more product on single journeys to reduce trips, mileage and

emissions. In the year, the Group has been trialling lighter vehicles and initiated the conversion to a gas-powered logistics fleet.

5.1.2 Annual Report Summary using FRC’s SECR Taxonomy v1.0.0.

Streamlined Energy and Carbon Reporting	
Start date for SECR period	1 st January 2020
End date for SECR period	31 st December 2020
Methodology	
<p>All SECR requirements for a ‘large’ unquoted organisation have been met, namely all UK energy use and associated GHG emissions for electricity, natural gas, LPG, oil and transport fuels for which the organisation is responsible. In addition, ASDA has elected to report greenhouse gas (GHG) emissions associated with their use of refrigerants (included within scope 1 emissions).</p> <p>The methodology used to calculate emissions is the WBCSD/WRI Greenhouse Gas Protocol: a corporate accounting standard: revised edition in conjunction with UK Government environmental reporting guidelines including SECR guidance, March 2019. Emissions have been calculated using UK Government greenhouse gas emissions conversion factors for company reporting 2020. An operational control approach has been taken.</p> <p>Scope 2 emissions from purchased electricity have been calculated using the location-based approach.</p>	
Third party verification	
No third-party data verification of the emissions data has been carried out	
Name of third-party verifier	n/a
Reported emissions (and carbon offsets) (tonnes CO ₂ e)	
Total net emissions	645,497
Total gross emissions (Scope 1,2 and 3)	645,497
Total direct and indirect emissions (scope 1 and 2)	644,516
Total direct (scope 1) emissions	385,010
Direct emissions (scope 1) stationary combustion	107,432
Direct emissions (scope 1) mobile combustion	158,166
Direct emissions (scope 1) from transport fuels	158,166
Direct emissions (scope 1) from other mobile combustion	
Direct emissions (scope 1) from process sources	
Direct emissions (scope 1) from fugitive sources	119,412
Direct emissions (scope 1) from agricultural sources	
Total indirect emissions (scope 2)	259,506
Indirect emissions (scope 2) from electricity	259,506
Indirect emissions (scope 2) from purchased steam	
Indirect emissions (scope 2) from purchased heating	
Indirect emissions (scope 2) from purchased cooling	
Total other indirect emissions (scope 3)	981

Other indirect (scope 3) emissions from business travel	
Other indirect (scope 3) emissions from business travel where company is responsible for purchasing fuel	981
Other Indirect Emissions from business travel where the company does not own or control the vehicles and where not responsible for purchasing the fuel	
Other Indirect Emissions from extraction and production of purchased materials and fuels	
Other Indirect Emissions from use of sold products and services	
Other Indirect Emissions from electricity related to extraction, production, and transportation of fuels consumed in the generation of electricity	
Other Indirect Emissions from purchase of electricity that is sold to an end user	
Other Indirect Emissions from generation of electricity that is consumed in a transmission and distribution system	
Other Indirect Emissions from transportation of purchased fuels	
Other Indirect Emissions from transportation of waste	
Other Indirect Emissions from transportation of sold products	
Other Indirect Emissions from transportation of purchased materials or goods	
Other Indirect Emissions from employees commuting to and from work	
Other Indirect Emissions from leased assets, franchises, and outsourced activities	
Other Indirect Emissions from disposal of waste generated in operations	
Other Indirect Emissions from disposal of waste generated in production of purchased materials and fuels	
Other Indirect Emissions from disposal of sold products at the end of their life	
Total carbon offsets	
Carbon offsets, domestic carbon units	n/a
Carbon offsets, other	n/a
Carbon offsets, third party verification	
Carbon offsets, description of third-party verification	n/a
Carbon offsets, name of third-party verifier	n/a
Energy Consumption (kWh)	
Energy consumption used to calculate emissions	2,302,118,863
Energy consumption, combustion of gas	462,336,492
Energy consumption, electricity	1,118,585,995
Energy consumption, combustion of transport fuel	636,136,681
Energy consumption, other	85,059,695
Intensity ratio	
Intensity ratio (tCO ₂ /Emillion in sales)	28.36
The reported emissions intensity ratio is the total gross emissions (scope 1,2 and 3 in tonnes CO ₂ e) per Emillion in sales	
Intensity ratio based solely on mandatory data [true/false]	False

Energy efficiency action report	
<p>As part of the commitment to reduce the Group's scope 1 & 2 emissions by 50% by 2025 various energy saving initiatives have been adopted in the year across the Group's stores, depots and distribution network.</p> <p>Investment in smart fridge technology has enabled the Group to remotely fix issues which reduces engineer visits to stores meaning fewer journeys on the road. Chilled and frozen food displays have been transformed by installing more energy and carbon-friendly technology to improve efficiency.</p> <p>Shopfloor lighting has been converted to LED and is now remotely controlled by the Group's central energy centre resulting in more efficient lighting and reductions in wasted energy. Lighting across our depots and distribution centres continues to be converted to LED.</p> <p>The Group's energy usage continues to be controlled and monitored by a central energy centre utilising an automated monitoring and targeting platform to support the optimisation of energy use across the estate. The rollout of in-store 'internet of things' (IoT) networks also allows more equipment to be centrally controlled enabling the optimisation of a greater percentage of store energy use.</p> <p>From a transport perspective, the Group continues to operate one of the largest double-deck fleet in the UK allowing the movement of more product on single journeys to reduce trips, mileage and emissions. In the year, the Group has been trialling lighter vehicles and initiated the conversion to a gas-powered logistics fleet.</p>	
Name of controlled legal entity or facility	ASDA Group Limited (01396513)
Operational control of legal entity or facility	True

