



OUR CARBON FOOTPRINT

SPAR has participated in the CDP since 2009. Our South African carbon footprint is calculated according to the International Greenhouse Gas Protocol Corporate Accounting and Reporting Standard, and the data provided pertains to 1 October 2019 to 30 September 2020.

Scope 1 and 2 emissions were independently verified.

SCOPE AND MEASUREMENT

The scope of the submission comprises the central office and seven distribution centres with their associated distribution fleets. It excludes S Buys and SPAR's operations outside South Africa. SPAR is committed to reducing carbon emissions, specifically around Scope 1 (mobile combustion, stationary combustion and fugitive emissions) and Scope 2 (electricity).

SPAR developed science-based targets (SBTs) which set out Scope 1 and 2 emissions reduction targets by 2050:

- 59% for buildings
- 41% for transport

SPAR recognises that monitoring of progress against targets requires comprehensive and accurate data. The implementation of data collection and monitoring systems is one of the key aspects in accurately measuring, mapping and tracking sustainability practices and outcomes.

INTRODUCING OUR CARBON REDUCTION FRAMEWORK

Our carbon reduction framework serves as a roadmap for reducing emissions and meeting emissions reduction targets, and therefore, reducing current and future carbon tax liability. The current SBTs align SPAR's climate change targets with the global target of 2°C temperature increase above pre-industrial levels. However, since the Intergovernmental Panel on Climate Change's publication of the refined 1.5°C temperature increase above pre-industrial levels target in 2019, SPAR is in the process of updating our SBTs to be in line with the updated global target of 1.5°C.

A baseline was measured in 2016 and action plans were set for 2017 to 2025, and key actions for 2025 to 2035 followed by 2035 to 2050. We set a new baseline in 2018 with action plans set for 2020 – 2033 and further key actions for 2033 – 2050 with the aim to be carbon neutral by 2050. We mapped projects with potential savings to prioritise key actions. Based on the framework, we designed an internal carbon pricing methodology aimed at the following outcomes:

- Reach our proposed greenhouse gas emission reduction targets
- Protect SPAR against risks relating to compliance with future carbon pricing systems such as a carbon tax
- Encourage investments in low-carbon technologies
- Make sound investment decisions in terms of energy efficiency projects and future operational change

OUR PERFORMANCE IN 2020

Our 2020 performance reports on data collected for the period from 1 October 2019 to 30 September 2020. During this period, SPAR's activities emitted 80 478 tonnes of carbon dioxide equivalent (CO₂e) for Scope 1 and Scope 2 emissions (2019: 82 896 tonnes). Due to business development and growth in the business during the year ended 30 September 2020, total cases dispatched from warehouses increased by 1.3% to 250.3 million cases.

In addition, we saw a decrease in total Scope 1 and 2 emissions of 2.9%. On a CO₂e per case dispatched basis, emissions per case decreased by 4.2%. The decrease in total Scope 1 and 2 emissions was attributed to a decrease in our Scope 2 emissions. This could be attributed to the transition of all our distribution centres (excluding Build it) to renewable energy.

Electricity consumption contributes towards our Scope 1 and 2 emissions. We consumed 38 288 124 MWh of electricity for the stated period compared to 43 001 294 MWh in the previous period. Electricity consumption (kWh) decreased by 11.0% in 2020. This was due to installation of Solar PV facilities across the distribution centres (excluding Build it) and retrofitting of LED light fittings across the distribution centres.

We run behavioural change campaigns to raise employee awareness around the benefits of reducing electricity consumption. The group neither purchased nor consumed heat, steam or cooling energy during the stated period.

The breakdown of Scope 1 and 2 emissions below are tracked from a 2013 base year:

Scope per greenhouse gas protocol	2016	2017	2018	2019	2020
Total footprint Scope 1 and 2 (CO ₂ e)	78 010	82 984	81 763	82 896	80 478
Scope 1 direct greenhouse gas emissions from vehicles, warehousing, cooling and air conditioning facilities (CO ₂ e)	37 210	39 010	39 882	38 175	41 424
Scope 2 indirect greenhouse gas emissions from electricity consumed (CO ₂ e)	40 800	43 974	41 881	44 721	39 054