# Welcome to your CDP Climate Change Questionnaire 2021

# C0. Introduction

## C0.1

### (C0.1) Give a general description and introduction to your organization.

Dixons Carphone is a leading multichannel retailer of technology products and services, operating in 829 stores and 16 websites in seven countries. **We Help Everyone Enjoy Amazing Technology -** however people choose to shop with us. We are the market leader in the UK & Ireland, throughout the Nordics and in Greece, employing 35,000 capable and committed colleagues. Our full range of services and support makes it easy for our customers to discover, choose, afford and enjoy the right technology for them, throughout their lives. The Group's core operations are supported by an extensive distribution network, enabling delivery to stores and homes, a sourcing office in Hong Kong and a state-of-the-art repair facility in Newark, UK.

Our brands include Currys PC World and Carphone Warehouse in the UK & Ireland and iD Mobile in the UK; Elkjøp, Elgiganten and Gigantti in the Nordics; and Kotsovolos in Greece. Our Dixons Travel brand has a presence across several UK airports as well as in Dublin and Oslo, and our services are provided through Team Knowhow.
We are committed to operating a responsible business by understanding stakeholder expectations and best practice and reflecting this in our business decisions. Our Group's Sustainability and Social Impact Strategy underpins our vision: We Help Everyone Enjoy Amazing Technology. It provides a framework to engage stakeholders with issues material to our business and our value chain, across Environmental, Social and Governance aspects. The Group is committed to putting social purpose at the heart of everything it does – galvanising its expertise, scale and reach to help everyone benefit from amazing technology – from making it more affordable, energy efficient or made simpler, to accessible through repair, reuse or donation.

We are the biggest collector and recycler of waste electricals in UK Retail – collecting 62% of all household WEEE collected by UK retailers since 2010. We are also one of the largest recyclers of polystyrene, which amounts to around 12% of all post-consumer polystyrene recycled in the UK, much of which is sent to be extruded into insulation panels. We're also proud to have helped 4,046 low income families save more than £1million through our re-use schemes. In March 2020, Dixons Carphone was one of 20 major retailers to join the British

Retail Consortium's (BRC) Taskforce on Climate Action and support the development of a ground-breaking decarbonisation plan that will guide the Retail Industry on what needs to be done to accelerate progress to a Net Zero UK, well ahead of the Government's 2050 target. In August 2020, we became to first electricals retailer to sign up to The Climate Group's EV100 initiative, which will see us run a fully electric or alternative fuel fleet by 2030. In March 2021, Dixons Carphone became the first UK company to adopt EcoVadis' new Carbon Action Module, enabling the business to monitor its suppliers' carbon emissions, increasing transparency and drive emission reductions across its supply chain. Dixons Carphone has also had its science-based targets validated by the Science Based Targets Initiative, committing it to reduce absolute scope 1 and 2 GHG emissions 50% by FY2029/30 from a FY2019/20 base year. Dixons Carphone also commits to reduce absolute scope 3 GHG emissions from purchased goods and services and use of sold products 50% within the same timeframe. Dixons Carphone's energy consumption and corresponding CO2 emissions have reduced year on year. The year on year energy consumption for the UK & Ireland portfolio has reduced by 20% on an absolute basis, and 14% at Group level.

# C0.2

**(C0.2) State the start and end date of the year for which you are reporting data.**

| | Start date | End date | Indicate if you are providing emissions data for past reporting years |
|---|---|---|---|
| Reporting year | May 1, 2020 | April 30, 2021 | No |

# C0.3

**(C0.3) Select the countries/areas for which you will be supplying data.**

Denmark
Finland
Greece
Ireland
Norway
Sweden
United Kingdom of Great Britain and Northern Ireland

# C0.4

**(C0.4) Select the currency used for all financial information disclosed throughout your response.**

GBP

# C0.5

**(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.**

Operational control

# C1. Governance

## C1.1

**(C1.1) Is there board-level oversight of climate-related issues within your organization?**

Yes

## C1.1a

**(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.**

| Position of individual(s) | Please explain |
|---|---|
| Chief Executive Officer (CEO) | The Group Chief Executive is responsible for the day-to-day management of the Group within the strategy that has been approved by the Board. The Group Chief Executive has ultimate accountability for ESG including climate-related issues. The Chair of the Board is responsible for ensuring there is an appropriate balance maintained between the interests of shareholders and other stakeholders (including employees, customers, suppliers and the community at large). Dixons Carphone has established a dedicated Environmental, Social and Governance (ESG) Committee. The role of the ESG Committee is to set the Group's Sustainability and Social Impact Strategy and recommend it to the Board for approval and to set and oversee the delivery of the Group's ESG objectives and KPIs including oversight of the management of ESG risks. The ESG Committee is comprised of a Non-Executive Director of the Dixons Carphone plc Board, two members of the Executive Committee (the General Counsel & Company Secretary and the Executive Director of Strategy and Corporate Affairs) and the Director of Group Sustainability and ESG. Another Executive Committee member, Chief Supply Chain Officer, also attends ESG Committee meetings. The ESG Committee reports into the Executive Committee and ESG updates are provided to the Dixons Carphone plc Board periodically. One example of a climate-related decision made by the ESG Committee is Dixons Carphone's participation in the EV100 initiative. The Dixons Carphone Board has given broad support to initiatives within our Fleet operations to reduce our carbon emissions and progress towards alternative fuels / net zero emissions, balancing the need to set a target which is ambitious, but also achievable, affordable and operationally viable. A strategic climate-related decision made by ESG Committee was to join The Climate Group's EV100 initiative, which is a global initiative bringing together forward looking companies committed to accelerating the transition to electric vehicles (EVs) as the new normal by 2030. Under the EV100 agreement, the Group will build on existing progress to reduce carbon emissions and transition to 100% EV or alternative fuel on light duty vehicles and medium duty by 2030. The |

| | |
|---|---|
| | ESG Committee is supported by the Group Sustainability & ESG team who drive the implementation, embedding and delivery of the strategy . |

# C1.1b

**(C1.1b) Provide further details on the board's oversight of climate-related issues.**

| Frequency with which climate-related issues are a scheduled agenda item | Governance mechanisms into which climate-related issues are integrated | Please explain |
|---|---|---|
| Scheduled – all meetings | Reviewing and guiding strategy<br>Reviewing and guiding risk management policies<br>Setting performance objectives<br>Monitoring implementation and performance of objectives<br>Monitoring and overseeing progress against goals and targets for addressing climate-related issues | All Board members receive ESG updates in CEO reports. One Director of Dixons Carphone plc attends ESG Committee meetings and supports the reporting of updates to the full Board. The responsibilities of the ESG Committee include the setting of the Group's Sustainability and Social Impact Strategy and recommending it to the Board for approval and to set and oversee the delivery of the Group's ESG objectives and KPIs including oversight of the management of ESG risks.<br>The ESG Committee meets at least once a quarter. The ESG Committee reports into the Executive Committee and ESG updates are then also provided to the Dixons Carphone plc Board within CEO reports which are submitted to every meeting. There are strong reporting links between each of these forums. The General Counsel & Company Secretary is the Chair of the ESG Committee, a member of the Executive Committee and as Company Secretary of Dixons Carphone plc attends all Board meetings. A Non-Executive Director of Dixons Carphone plc attends the ESG Committee meetings and three Executive Committee members attend ESG Committee meetings.<br>The Board papers templates require paper authors to assess the implications of their decision papers on each of the Groups stakeholders and act as a prompt to address any climate-related impacts of any proposals as part of any approval request. |

# C1.2

**(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.**

| Name of the position(s) and/or committee(s) | Responsibility | Frequency of reporting to the board on climate-related issues |
|---|---|---|
| Chief Executive Officer (CEO) | Other, please specify<br>Ultimate accountability for managing climate-related risks and opportunities | More frequently than quarterly |
| Chief Procurement Officer (CPO)<br>[1] | Both assessing and managing climate-related risks and opportunities | Quarterly |
| Other C-Suite Officer, please specify<br>Executive Director of Strategy and Corporate Affairs | Both assessing and managing climate-related risks and opportunities | More frequently than quarterly |
| Chief Risks Officer (CRO)<br>[2] | Both assessing and managing climate-related risks and opportunities | Quarterly |
| Sustainability committee | Other, please specify<br>Proposing sustainability and social impact strategy to Board. Setting and overseeing delivery of ESG objectives and KPIs. | Quarterly |

[1] Postion called Chief Supply Chain Officer within Dixons Carphone

[2] Falls within the role of our General Counsel and Company Secretary

## C1.2a

**(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).**

The Group Chief Executive (CEO) is responsible for the day-to-day management of the Group within the strategy that has been approved by the Board of Directors . The Group Chief Executive has ultimate accountability for ESG including climate-related issues. The Group Sustainability and Social Impact Strategy approved by the Board of Directors provides a framework for setting goals, taking actions and engaging with key stakeholders, such as the company's supply chain for improving environmental performance and communicating progress.

Dixons Carphone has established a dedicated Environmental, Social and Governance (ESG) Committee (**Sustainability Committee**). The ESG Committee is comprised of a Non-Executive Director of the Dixons Carphone plc Board, two member of the Executive Committee (the General Counsel & Company Secretary and the Executive Director of Strategy and Corporate Affairs) and the Director of Group Sustainability and ESG. Another Executive Committee member, the Supply Chain Director, also attends ESG Committee meetings. The role of the ESG Committee is to set the Group's Sustainability and Social Impact Strategy and

recommend it to the Board for approval and to set and oversee the delivery of the Group's ESG objectives and KPIs including oversight of the management of ESG risks.
The Committee members and standing attendees include several decision-makers across the business, who have the required expertise and background to drive the Group's Sustainability & Social Impact Strategy and effectively manage the climate-related issues that are relevant to the Group.
Dixons Carphone has a number of subject matter experts fully integrated across the business. The Committee and the Group Sustainability & ESG Team monitors the implementation of the strategy and progress towards meeting the objectives and KPIs of the Sustainability & Social Impact Strategy. This work is coordinated by the Director of Group Sustainability and ESG and the Group Corporate Affairs Director and supported by a formal sign off process and accountability through the ESG Committee.
The Executive Director of Strategy and Corporate Affairs (**Other C-suite officer**), together with his Director of Group Sustainability and ESG, is responsible for:
· Promoting the Sustainability & Social Impact Strategy and its implementation
· Monitoring goals set to contribute to the UN SDGs and to meet stakeholders' expectations
· Considering regulatory aspects that may have an impact on the company's operations and sustainability performance.
· Reporting progress regularly into the main Company Board and ensuring it is involved in decisions around the management of climate-related issues
Both are members of the Environmental, Social and Governance (ESG) Committee.
The Chief Procurement Officer (**Chief Supply Chain Officer)** is responsible for supplier engagement, setting Supplier Standards and implementing a supplier data system (EcoVadis) to evaluate the sustainability performance of our suppliers. They attend the ESG Committee and are supported by the Group Responsible Sourcing Manager.
The Chief Risks Officer (**General Counsel and Company Secretary)** reports to the ESG Committee with any risks and opportunities that have been identified through the Legal, Governance & Risk Team as part of the corporate risk assessment process. They ensure that the ESG Committee are aware of any emerging climate-related risks and opportunities for the business and works with the Committee.

# C1.3

### (C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

| | Provide incentives for the management of climate-related issues | Comment |
|---|---|---|
| Row 1 | Yes | |

# C1.3a

### (C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

| Entitled to incentive | Type of incentive | Activity inventivized | Comment |
|---|---|---|---|

| | | | |
|---|---|---|---|
| Board/Executive board | Monetary reward | Emissions reduction target | For 21/22FY the corporate bonus structure is directly linked to scope 1 & 2 emission reductions. Emission reductions are aligned to our approved SBTi 50% reduction by 2029/30 from a 2019/20 base year. This incentive is applicable to Executive Committee. |
| Chief Procurement Officer (CPO) | Monetary reward | Supply chain engagement | Chief Procurement Officer, with responsibility for own-brand products, sets personal objectives related to supplier engagement, setting Supplier Standards and implementing a supplier data system (EcoVadis) to evaluate the sustainability performance of our suppliers, the achievement of which is directly related to their remuneration. |
| Energy manager | Monetary reward | Emissions reduction target | Management of climate change issues, including the achievement of targets, forms part of the annual performance appraisal, on which the bonus is dependent. The incentivised performance indicator is energy (electricity) consumption reduction. |
| All employees | Monetary reward | Emissions reduction target | For 21/22FY the corporate bonus structure is directly linked to scope 1 & 2 emission reductions. Emission reductions are aligned to our approved SBTi 50% reduction by 2029/30 from a 2019/20 base year. This incentive is applicable to All UK&I employees (including Executive Committee) but only the Nordics and Greece senior leadership . |

# C2. Risks and opportunities

## C2.1

**(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?**

Yes

## C2.1a

**(C2.1a) How does your organization define short-, medium- and long-term time horizons?**

| | From (years) | To (years) | Comment |
|---|---|---|---|
| Short-term | 0 | 2 | The time horizons defined here are used in company risk assessments and align with the time horizons used for wider strategic and business planning. |

| | | | |
|---|---|---|---|
| Medium-term | 2 | 5 | The time horizons defined here are used in company risk assessments and align with the time horizons used for wider strategic and business planning. |
| Long-term | 5 | 10 | The time horizons defined here are used in company risk assessments and align with the time horizons used for wider strategic and business planning. |

# C2.1b

### (C2.1b) How does your organization define substantive financial or strategic impact on your business?

The business has a systematic approach to ESG risk management. Our approach has been benchmarked against other leading organisations, which resulted in the development of a more comprehensive ESG risk profile and risk appetite statement.
This year a new principal risk relating to Sustainability was added to the Principal Risk which is monitored by the ESG Committee and the Executive Committee, with the aim of better managing the broad spectrum of ESG risks.
As part of our risk assessment approach, we have continued to work with key internal stakeholders to consider the long-term impacts of climate change with the aim of analysing emerging risks and opportunities. The insights gained have been incorporated into our revised ESG Risk Register. This work is informing our business continuity plans and has formed part of our implementation of recommendations by the Task Force on Climate-related Financial Disclosures ('TCFD').
Once a risk is identified and defined in terms of cause, event and consequence(s), the following steps are taken to assess its severity:
1: Gross Risk Rating: What would the likelihood and impact of the described risk be if all current controls and mitigations did not exist? Likelihood and impact are rated 1 to 4. For likelihood - 1 being Unlikely (+10 year event) to 4 being Highly likely (event to occur within next 1-2 years). For impact – 1 (Minor) to 4 (Severe) across 4 impact categories (Financial, Operational, Regulatory and HSE)
2: Establish existing controls and mitigations. Detail all current controls and mitigations that are applied to manage the risk and consider their effectiveness.
3: Evaluate Control Effectiveness.
4: Net Risk Rating. (Low-High) An overall evaluation is made by management to define the effectiveness of the identified controls in mitigating this risk and categorise it as follows:
- Good: Appropriate controls and mitigations exist and operate.
- Fair: Controls and mitigations are in place which provide a reasonable level of certainty of risk management, but there is room for improvement
- Poor: Controls and mitigations are insufficient to prevent or manage the risk
- Uncontrollable: The risk is outside of the control of Dixons Carphone, although there may be ability to manage the consequences
Once the net risk score is defined, Dixons Carphone uses the risk's financial impact as a quantifiable indicator to categorise it. The financial impact of the risk includes any potential control and mitigation costs incurred to manage the risk and the cost of repair/replacement

programmes or loss of revenue if the risk were to be realised. In this way Dixons Carphone categorises each identified risk in the following groups:
i) Minor risks<1 £'million financial impact
ii) Moderate risks: 1-10 £'million financial impact
iii) Major risks: 10-100 £'million financial impact
iv) Severe risks: >100 £'million financial impact
Dixons Carphone defines any risk with a financial impact of more than £10 million as substantive for the company.
Risks that are classified as major or severe will be escalated to the Board, whereas minor and moderate risks are handled by the appropriate committee or risk owners.

# C2.2

## (C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

### Value chain stage(s) covered

Direct operations
Upstream
Downstream

### Risk management process

Integrated into multi-disciplinary company-wide risk management process

### Frequency of assessment

More than once a year

### Time horizon(s) covered

Short-term
Medium-term
Long-term

### Description of process

Dixons Carphone Risk Assessment Guidance outlines how to identify, assess and manage climate change risks and opportunities. The risk assessment methodology is followed at a corporate operational/asset level.

Identifying risks: At a company level, an enterprise risk assessment takes place quarterly with a Board-level review biannually. Following the latest update of the UK Corporate Governance Code in 2018, Dixons Carphone also introduced horizon scanning into its risk management processes on an annual basis as part of the strategic risk assessment and Group planning process. Dixon Carphone uses this to look at future complexity and options for the future. The Board undertakes an assessment of emerging and current risks to ensure procedures are in place to identify, manage or mitigate them. Horizon planning allows Dixons Carphone to capture medium to long-term risks, eg climate-driven changes in consumer demands. A detailed ESG Risk Register has been developed to enable a systematic approach to ESG risk

management allowing us to monitor changes in the risk profile. In FY2020/21, we used this register to formalise the review of progress on delivery of controls, to reduce or remove identified risks before they materialise. The ESG Risk Register is monitored by the ESG Committee, who are responsible for ensuring that ESG risks, including those with a potential for substantive impact on the business, are managed.

Assessing Risks: Once a risk is identified and defined in terms of cause, event and consequence(s), the following steps are taken to assess its severity:
1: Gross Risk Rating: What would the likelihood and impact of the described risk be if all current controls and mitigations did not exist? Likelihood and impact are rated 1 to 4. 2: Establish existing controls and mitigations. Detail all current controls and mitigations that are applied to manage the risk and consider their effectiveness.
3: Evaluate Control Effectiveness.
4: Net Risk Rating.
An overall evaluation is made by management to define the effectiveness of the identified controls in mitigating this risk and categorise it as good, fair, poor –or uncontrollable.

Dixons Carphone also evaluates the potential financial impact of each identified risk to determine the overall net risk score. Dixons Carphone defines any risk with a financial impact of more than £10 million as substantive for the company. Risks that are classified as major or severe will be escalated to the Board, whereas minor and moderate risks are handled by the appropriate committee or risk owners.

Managing risks: To decide what management process is followed, the available controls already in place to mitigate that specific risk are taken into account as well as the potential financial impact (categorised as minor, moderate, major or severe). Following the risk assessment procedures, Risk Owners or Board representatives are then able to assess the net position of the risk and consider the most suitable management process to follow: avoidance; , reduction,  or acceptance.  An example of an identified transition risk is the increase in energy prices. This transitional risk is included within our Climate-related Risk Register, scoring  3 for Likelihood (Probable within 3-5 years) and 3 for Impact (Major - £10m-£100m) for Gross Risk Rating. When evaluating the effectiveness controls in mitigating this risk, Impact score decreases to 2 (Moderate - £1m-£10m) for our Net Risk Rating. We have already seen some of our electricity costs increase 10% during 2021 It is understood that action needs to be taken and the company is committed to continuous improvement in energy efficiency across its sites. In UK and Ireland this is through implementing an ISO 50001 Energy Management System to minimise this risk. Furthermore, the Group has 4 sites with Solar PV installed on the roofs of buildings with a capacity of 2.2MWp. This includes Newark Distribution Centre Building 1 and 2 and three retail sites. These panels contribute to our grid energy reduction by 413 tonnes of CO2e, while reducing our dependency to the National Grid and significantly reducing energy costs. Throughout our 20/21FY we' continued to investigate additional opportunities with landlords where this is practically possible to install additional solar PV capacity with sites in Stevenage, Solihull, Chippenham and Guildford all identified with estimated additional capacity of 500kWp. Furthermore, we are implementing new projects for increasing fuel efficiency of fleet through improving

drivers' behaviour, trialling electric vans and fitting solar panels to the roofs of vehicles. We are members of The Climate Group's EV100 initiative.
An example of a physical risk that Dixons Carphone is exposed to, is an increased risk of flooding at sites due to changing temperatures and weather patterns. Considering most of our stores are leased, the option of implementing flood control measures is considered to be challenging however, the financial impact of flooding only poses a 'minor' risk to the business. Therefore, we choose to accept the risk taking the 'acceptance' route mentioned above, and manage it by increasing awareness within our property management teams, who are responsible for repairing any damages.

Opportunity management: Once a climate-related opportunity is identified, Dixons Carphone assesses the positive impact of this opportunity and considers the associated cost of management. The opportunities associated with the transition to a low carbon economy originate from Dixons Carphone's own operations or from its products and services. Regarding climate-related opportunities, these are driven by market demand and are related to both products and services that Dixons Carphone offers. Products that enable our customers to achieve energy reductions through their use are in increasing demand. For example, due to the rising energy costs, there has been an increased demand for energy efficient products. By expanding our offering of energy-efficient products, Dixons Carphone has the opportunity to differentiate from our competitors and increase our market share. In terms of services, there is an increasing demand for convenient recycling solutions for customers and we aim to serve this market request. Dixons Carphone is the market leader in recycling services for waste electricals and electronic equipment. We provide a free in-store take back for all electronics and were the first UK retailer to offer a free collection service for small e-waste items as part of an existing home delivery service.

# C2.2a

### (C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

| | Relevance & inclusion | Please explain |
|---|---|---|
| Current regulation | Relevant, always included | Dixons Carphone considers current regulatory requirements as part of its risk assessment process. For instance, the company needs to comply to the EU legislation for Energy Efficiency (Directive 2012/27/EU), and for WEEE recycling and substance recovery. The Energy Efficiency Directive mandates energy efficiency improvements for large companies and has been transposed across the countries of Dixons Carphone operations. Failure to meet these requirements could translate into considerable fines. As per the Waste Framework Directive and the WEEE Directive, the company needs to meet specific requirements in terms of recycling and reprocessing of waste materials into products. If not, the company runs the risk of having to pay high penalties ranging between £50,000 to £250,000 and will be facing the risk of reputational damage too. Another example of current |

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|---|---|---|
| | | regulation affecting Dixons Carphone's operations is the vehicle's emissions regulations, including the Euro 6 regulation for light passenger and commercial vehicles. Our UK&I fleet is now 100% Euro 6 compliant and meets all emissions regulations, including the Low Emissions Zone and Ultra Low Emission Zone (ULEZ) in London, and recent Clean Air Zones in Bath and Birmingham city centres: by meeting the required emissions standards, a daily charge and a penalty charge are avoided. Most recently Dixons Carphone, as a listed company, has needed to report under the Streamlined Energy and Carbon Reporting (SECR) framework in the UK. The reporting framework encourages the implementation of energy efficiency measures, with both economic and environmental benefits, supporting companies in cutting costs and improving productivity at the same time as reducing carbon emissions. |
| Emerging regulation | Relevant, always included | The retail sector is subject to emerging regulations related to climate change in all of Dixons Carphone's countries of operations. With a global push towards a net zero world by 2050, many nations are introducing legally binding zero emission targets along with increased pressure on businesses to act. We expect to see more policies being introduced to tackle climate change and to make businesses accountable for their actions in order to support the transition to a net zero economy. For example, it is anticipated that in countries of Dixons Carphone's operations which are members of the EU - Republic of Ireland, Greece, Finland, Denmark, Sweden - national policies mandating carbon tax will be adopted soon which will result in increased operating costs across the business. For operations in the UK, we anticipate that any emerging EU legislation will also be followed by the UK. Additionally, we expect TCFD-aligned reporting (Task Force on Climate-related Financial Disclosures) to become mandatory in the UK for large businesses liked Dixons Carphone by 2022 according to the Green Finance Strategy. We are also expected to see more Low Emission Zone (LEZ), Ultra Low Emissions Zone (ULEZ) and Clean Air Zones become mandatory in more cities across the UK, meaning our vehicles will have to comply with those standards to minimise operational impact. |
| Technology | Relevant, always included | Increasing energy efficiency for avoiding adverse impacts of climate change has and will continue having an impact on the technology of the lines of products that Dixons Carphone sells to their customers and is therefore considered in risk assessments. For example, Dixons Carphone have launched their own series of OEM LED lighting bulbs and consider developing more products and services to enable our customer to use resources more efficiently. The correlation between climate change and technology is relevant to Dixons Carphone . For example, the increased demand in air-conditioning units leads us to consider diversifying our air cooling product ranges. We've also recently run promotional campaigns specifically for lower energy |

| | | |
|---|---|---|
| | | consuming large household appliances. Technology is especially relevant when considering our scope 3 emissions, for which nearly 90% comes from the use of products sold, which has driven our science-based target of 50% reduction of scope 3 GHG emissions by 2030 . |
| Legal | Not relevant, explanation provided | The current potential impact of environmental legal liabilities to Dixons Carphone's operations associated to energy and emissions is not relevant. There has been no precedent in litigation claims and the company doesn't anticipate any for now. It will be further evaluated in the medium-term (in one to four years) to decide whether it needs to be part of our risk assessment in the future. |
| Market | Relevant, always included | In line with technological changes, it is likely that the digitisation trend that has a clear impact on the products that Dixons Carphone sells will affect Dixons Carphone's market both in a negative and positive way. Market risks are considered as part of Dixons risk assessments due to Dixons Carphone's reliance on electricity in its stores and offices and the price of fuel for transporting and distributing its products to customers. For example, increases in energy prices will directly affect the company's operational expenditure (OPEX) and the anticipated economic impact can be high enough for meeting its substantive risk threshold. |
| Reputation | Relevant, always included | Reputational risks related to climate change are considered by Dixons Carphone and always included in the company's risk assessments. For example, there is increasing demand for information by investors and stakeholders for Dixons Carphone's sustainability strategy and how the company addresses climate aspects. In addition, reputational risks due to non-compliance with environmental law for any of our suppliers are also considered. |
| Acute physical | Relevant, always included | Extreme weather events affect the storage and delivery of products from Dixons Carphone's suppliers to storage or distribution centres and equally from Dixons Carphone's distribution centres to customers. Even when infrastructure has been designed to cope with extreme weather where appropriate, an increase in the rate at which they occur will increase their rate of deterioration. In Dixons Carphone's risk assessment process, the probability and the impact of extreme weather phenomena on Dixons Carphone's infrastructure and operations are considered. For example, leased stores have been subject to flooding in the past which impacts business operations and has the potential to negatively impact the business. Therefore, Dixons Carphone considers the increased probability of flooding and other consequences of extreme weather events as part of its risks assessment process. |
| Chronic physical | Relevant, sometimes included | Dixons Carphone considers the impact that gradual changes in climate could have on operations, supply chain and customers as part of its risk assessment. Retail services must be monitored and |

| | | |
|---|---|---|
| | | managed to reduce possible disruptions and accidents that may become more frequent due to adverse weather conditions. For instance, with frequency, intensity, and duration of heat waves all over Europe projected to rise, increased summer temperatures may affect demand for products such as air-conditioners in Southern Europe, more precisely in Greece where Dixons Carphone has a strong presence on the company's OPEX due to an increase in cooling needs at retail sites. |

# C2.3

**(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?**

Yes

# C2.3a

**(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.**

**Identifier**

Risk 1

**Where in the value chain does the risk driver occur?**

Direct operations

**Risk type & Primary climate-related risk driver**

Current regulation

Enhanced emissions-reporting obligations

**Primary potential financial impact**

Increased indirect (operating) costs

**Company-specific description**

Energy and carbon reporting obligations: Dixons Carphone is a listed company and needs to report under the Streamlined Energy and Carbon Reporting (SECR) framework in the UK. This incurs internal resources cost and involves measuring and reporting energy consumption and the associated emissions for our UK&I and International businesses, this includes data from a total of 1600 meter points, in additional to consumption data from over 700 fleet vehicles as well as external consultancy costs to check and validate the data to the requirements of SECR. TCFD-aligned reporting (Task Force on Climate-related Financial Disclosures) is likely to become mandatory in the UK for large businesses liked Dixons Carphone by 2022 according to the Green Finance Strategy, which has led to the business increasing its spend with external consultants to facilitate workshops with group stakeholders to prioritise key risks and opportunities which are then agreed by the ESG committee and then Board for further climate scenario analysis. Our reporting against the TCFD recommendations in the Dixons

Carphone Annual Report & Account will provide a mechanism for demonstrating the actions we are taking.

### Time horizon

Short-term

### Likelihood

Virtually certain

### Magnitude of impact

Low

### Are you able to provide a potential financial impact figure?

Yes, an estimated range

### Potential financial impact figure (currency)

### Potential financial impact figure – minimum (currency)

150

### Potential financial impact figure – maximum (currency)

51,500

### Explanation of financial impact figure

Late filing, due to inability to calculate our annual energy consumption and carbon emissions by the filing deadline . As set by the UK government, the level of the penalty depends on how late the accounts reach Companies House. For private companies, the penalty ranges from £150 to £1,500: Length of period (measured from the date the accounts are due) / Private company penalty: - Not more than 1 month: £150 - More than 1 month but not more than 3 months: £375 - More than 3 months but not more than 6 months: £750 - More than 6 months: £1,500 More information can be found here: https://www.gov.uk/government/publications/late-filing-penalties/late-filing-penalties Whilst TCFD requirements are still being finalised it is estimated that a penalty issued for the breach of any of the requirements proposed could be up to £50,000.

### Cost of response to risk

134,590

### Description of response and explanation of cost calculation

We work with external consultants who provide technical support and advice to ensure we will be compliant with the SECR framework. GHG reporting is reviewed as part of the financial auditing of Dixons Carphone's annual report and accounts. Dixons Carphone must measure and report energy consumption from a total of 1600 meter points, validating bills and supplier data +700 fleet vehicles along with delivery of other fuels such as oil and LPG. Dixons Carphone use of external consultants to support the reporting and calculation on the data in line to the SECR framework cost £126,090 during the last year which included 3rd Party Assurance of GHG. This year we had our scope 1, scope 2 and part of our scope 3 emissions verified. Using the expertise of these external resources helps ensure the data required for SECR is gathered and

verified in a timely manner to ensure submission within our Annual Reporting deadline. Our current costs to date for the consultancy work in relation to TCFD-aligned reporting is £8,500.

**Comment**

**Identifier**

Risk 2

**Where in the value chain does the risk driver occur?**

Direct operations

**Risk type & Primary climate-related risk driver**

Acute physical

Increased severity and frequency of extreme weather events such as cyclones and floods

**Primary potential financial impact**

Increased direct costs

**Company-specific description**

Extreme weather phenomena: In the recent past, weather extremes such as cold winters and extreme rainfall have led to operational problems at Dixons Carphone's stores, warehouses and home delivery services owing to excessive snowfall, rainfall and flooding. The ongoing impact is the cost of increased maintenance works to mitigate the risks.

**Time horizon**

Medium-term

**Likelihood**

Very likely

**Magnitude of impact**

Low

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

1,296,333

**Potential financial impact figure – minimum (currency)**

**Potential financial impact figure – maximum (currency)**

**Explanation of financial impact figure**

Flooding damages amounted to £1,390,000 in FY17/18, £1,094,000 in FY18/19 and £1,405,000 in FY19/20. Potential annual financial impact calculation explained: Average of 3 years costs: (1,390,000 + 1,094,000+1,405,000)/3 = £1,296,333

### Cost of response to risk

2,521,734

### Description of response and explanation of cost calculation

This risk is managed at site level by the branch or facilities manager. Measures undertaken include increased maintenance of gutter systems to reduce risk on onsite flooding and roof leakage, and increased gritting to keep sites free of ice and snow. The cost of response to risk does vary each year, last year costs associated with gritting and maintenance of guttering systems totalled £215,734. This business also engaged with a flood risk consultancy to assess two delivery depot locations in flood risk areas, to explore flooding mitigation solutions at a cost of £6,000. To reduce the operational impact on severe weather events to business, in October 2020, Dixons Carphone opened its new 375,000sqft site near Bolton, as the Northern distribution hub for the supply chain network, providing more effective support to our stores and the national delivery network in the North West. It will allow for our top selling big box products to be held closer to our North West customers who need them, removing pressure from our National Distribution Centre in Newark and decreasing the risk extreme weather events impacting the supply chain stopping us being able to deliver to our customers. In total, this new distribution hub costs £2.3m.

### Comment

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### Identifier

Risk 3

### Where in the value chain does the risk driver occur?

Direct operations

### Risk type & Primary climate-related risk driver

Current regulation

Other, please specify

Change in vehicles regulations

### Primary potential financial impact

Increased indirect (operating) costs

### Company-specific description

Change in vehicle regulations. From the end of October 2020, the Low Emission Zone (LEZ) standards in London will be tighter and have raised to equal the Ultra Low Emissions Zone (ULEZ) standards. Bath and Birmingham have also implemented similar Clean Air Zones, restricting access to vehicle with minimum emissions standards and charging those which exceed. The risk to Dixons Carphone is increased

costs of having to enter these ULEZ and Clean Air Zones to deliver to customers should our fleet exceed to emission standards required and paying the daily charges.

### Time horizon

Short-term

### Likelihood

Virtually certain

### Magnitude of impact

Low

### Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

### Potential financial impact figure (currency)

4,067,415

### Potential financial impact figure – minimum (currency)

### Potential financial impact figure – maximum (currency)

### Explanation of financial impact figure

Estimated annual cost due to daily charges and penalty charges for entering the Ultra Low Emissions Zone (ULEZ) in London. Potential financial impact explained: the cost is £100 daily charge for each vehicle entering the ULEZ. Average number of Dixons Carphone's vehicles moving within London daily: 110 vehicles. Annual potential cost: £100 per vehicle * 110 vehicles * 363 days = £ 3,993,000. Average vehicle movements within the Birmingham Clean Air Zone per day is 2. Annual potential cost: £8 per vehicle * 2 vehicles * 363 days = £5,808X. Average vehicle movements within the Bath Clean Air Zone per day is 21. Annual potential cost: £9 per vehicle * 21 vehicles * 363 days = £68,607. Total potential financial impact = £4,067,415

### Cost of response to risk

0

### Description of response and explanation of cost calculation

We are currently fully compliant with the ULEZ and Clean Air Zones, as our vehicles have Euro 6 engines; this has been at no cost because it was already part of our fleet renewal plans. Regarding hired vehicles, we ensure that Dixons Carphone only hire ULEZ and Clean Air Zone compliant vehicles. Further, we are transitioning to electric vehicles or alternative fuels for our fleet by 2030 – with plans underway.

### Comment

# C2.4

**(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?**

Yes

# C2.4a

**(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.**

**Identifier**

Opp1

**Where in the value chain does the opportunity occur?**

Direct operations

**Opportunity type**

Resource efficiency

**Primary climate-related opportunity driver**

Move to more efficient buildings

**Primary potential financial impact**

Reduced indirect (operating) costs

**Company-specific description**

We are seeing increasing electricity costs each year which has a direct financial impact on the business in powering its stores, warehouses, and offices. Therefore, CAPEX investment in electricity reduction projects gives operational savings. For example, LED light installations at our stores and warehouses and proactive monitoring and updating of our Business Energy Management System (BEMS) to accurately meet our energy demands and reduce consumption when it is not required

**Time horizon**

Medium-term

**Likelihood**

Likely

**Magnitude of impact**

Low

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

2,534,592

### Potential financial impact figure – minimum (currency)

### Potential financial impact figure – maximum (currency)

### Explanation of financial impact figure

This is an estimate of the annual monetary savings due to reduced energy consumption driven by the implementation of energy efficiency projects. The estimated figure reported is the average of Dixons Carphone's annual monetary savings due to energy efficiency projects in the last 3 years - FY18/19, FY19/20, FY20/21. Calculation explained: £ (5,134,960 + 172,869+£2,295,947)/3 = £2,534,592

### Cost to realize opportunity

1,001,182

### Strategy to realize opportunity and explanation of cost calculation

For Dixons Carphone, this translates directly into energy saving initiatives such as the programme to install LED lighting and the optimisation of the Building Energy Management Systems in our sites. The estimated figure reported is the average of Dixons Carphone's CAPEX investment in energy efficiency projects in the last 3 years -, FY18/19, FY19/20, FY20/21. Calculation explained: £ (2,241,000 + 274,500+£488,045)/3 = £ 1,001,182. Last year we invested of £390k in fitting LED lighting to the Bristol Distribution Centre, which helped reduced electricity consumption by 732,227kWh. Likewise, given the huge impact of the Covid pandemic on our retail operation which had to close due to lockdown restrictions, our BEMS, with annual running cost of £100,000, enabled us to quickly optimise lighting and power requirements during these periods of reduced activity and opening times across our estate.

### Comment

### Identifier

Opp2

### Where in the value chain does the opportunity occur?

Downstream

### Opportunity type

Products and services

### Primary climate-related opportunity driver

Development and/or expansion of low emission goods and services

### Primary potential financial impact

Increased revenues resulting from increased demand for products and services

### Company-specific description

Customers are increasingly placing greater consideration on energy efficiency when buying white good appliances to help reduce their energy consumption and costs, so are seeking greater visibility on the total cost of ownership of appliances. This also directly benefits Dixons Carphone by reducing the carbon emissions related from the use of sold products.

**Time horizon**

Medium-term

**Likelihood**

More likely than not

**Magnitude of impact**

Low

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

500,000

**Potential financial impact figure – minimum (currency)**

**Potential financial impact figure – maximum (currency)**

**Explanation of financial impact figure**

For washing machines, which represents the largest category for large household appliances, the top five most energy efficient models currently make up low single-digit percentage of total washing machine sales and, on average, are £100 more expensive in terms of upfront initial purchase cost. Increasing this sales percentage by 1% through increased visibility to customers of the total cost of ownership of more energy efficient models, would equate to £500,000 in additional sales revenue (based on these models being £100 more expensive), with opportunities for this to increase further over time, and for other large household appliance categories.

**Cost to realize opportunity**

200,000

**Strategy to realize opportunity and explanation of cost calculation**

We acknowledge the importance in helping customers understand the impact of their purchasing decisions. From a recent insight survey, we know that over 70% of consumers rank energy efficiency as one of their top five considerations when purchasing white goods but the initial high purchase cost of these more efficient appliances puts off nearly four in ten. However, consumers are only comparing the initial purchase cost rather than the total cost of ownership over the life of the appliance, for example the most efficient washing machines are on average £160 cheaper to run over their lifetime. To realize this opportunity, we want to support customers in appreciating the lifetime costs of owning and running their large appliances and are exploring tools to

show and compare these running costs during the customer buying process. The cost to realize the opportunity has been estimated based on the initial upfront one-off cost of £120,000 to develop an online tool and functionality for a range of goods, including washing machines, with on-going operational cost to keep the tool updated and managed at £80,000 per annum.

**Comment**

**Identifier**

Opp3

**Where in the value chain does the opportunity occur?**

Downstream

**Opportunity type**

Products and services

**Primary climate-related opportunity driver**

Shift in consumer preferences

**Primary potential financial impact**

Increased revenues resulting from increased demand for products and services

**Company-specific description**

More consumers are becoming more environmental conscious, with increased recycling being an action more want to take. Many are confused about what they can do with old tech they may have. Our in-store e-waste take-back and home recycling services provide the convenient solution to enable consumers to recycle their old or broken technology with us.

**Time horizon**

Medium-term

**Likelihood**

More likely than not

**Magnitude of impact**

Low

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

1,940,000

**Potential financial impact figure – minimum (currency)**

**Potential financial impact figure – maximum (currency)**

**Explanation of financial impact figure**

Currently our UK&I e-waste recycling service and operation make up 0.51% of total revenue. The financial impact figure is linked to our new ESG bonus metric which is targeting an uplift in e-waste volumes in the UK&I compared to 2020. This tonnage uplift has an estimated additional revenue value of £1.94m. This consists of £1.37m coming from increase sales of our e-waste recycling collection service and £0.57m generate from the material value of the collected e-waste.

**Cost to realize opportunity**

785,000

**Strategy to realize opportunity and explanation of cost calculation**

Customer engagement and awareness of their recycling options with us will be key in driving the increase in service uptake, therefore marketing will be key to unlocking this opportunity. The anticipated financial costs is largely based on requirement marketing activities to drive awareness, across radio, press, stores, online, social and PR. This is around £750,000 per year, with £35,000 to support a new “Tech Amnesty” which will look to incentivise recycling by offering a voucher to customers every time they recycle with us.

**Comment**

# C3. Business Strategy

## C3.1

### (C3.1) Have climate-related risks and opportunities influenced your organization’s strategy and/or financial planning?

Yes, and we have developed a low-carbon transition plan

## C3.1a

### (C3.1a) Is your organization’s low-carbon transition plan a scheduled resolution item at Annual General Meetings (AGMs)?

| | Is your low-carbon transition plan a scheduled resolution item at AGMs? | Comment |
|---|---|---|
| Row 1 | No, but we intend it to become a scheduled resolution item within the next two years | |

## C3.2

### (C3.2) Does your organization use climate-related scenario analysis to inform its strategy?

No, but we anticipate using qualitative and/or quantitative analysis in the next two years

# C3.2b

### (C3.2b) Why does your organization not use climate-related scenario analysis to inform its strategy?

Climate scenario analysis is an approach that Dixons Carphone is now considering as a tool for informing the company's business strategy. This approach has not been implemented yet, as Dixons Carphone have been investigating the best way to incorporate it into our business strategy update.

Our focus to date has been on improving environmental measurement, management and disclosure to investors using platforms such as CDP and FTSE4Good.

The company received Board approval to integrate its ESG priorities into our Vision in June 2019. This integrated approach enables better coordination and stakeholder engagement at every level, underpinned by KPIs covering statutory requirements, best practice and good governance.

We have set science-based targets for Scope 1, 2 and 3 emissions in line with a 1.5°C climate scenario which were validated by the SBTi in June 2021. We aim to achieve a 50% reduction in Scope 1 and 2 emissions across our Group from a 2019/20 base year by 2029/30, along with a 50% reduction in GHG emissions from purchased goods and services and use of sold products (these two Scope 3 categories account of 99.3% of the Groups total Scope 3 emissions) from a 2019/20 base year by 2029/30. In this way, the company has made use of proven climate scenario for determining its carbon trajectory that has defined what kind of emissions reductions the company needs to achieve in order to stay below a 1.5°C temperature increase.

Dixons Carphone is in the process of using climate scenario analysis for informing its business strategy by identifying and quantifying risks throughout our operations and our supply chain. Dixons Carphone is looking at using the 1.5DS climate scenario, developed by IEA, for transition risks and RCP1.9, developed by the IPCC, for physical risks, while considering a timeframe expanding to 2050.

Through using climate scenario analysis, the company expects to be in a position to understand in more detail climate related risks and opportunities, how relevant and probable they are across its countries of operation and subsequently inform its business strategy and objectives.

Dixons Carphone is a signatory of the TCFD and aims to implement the TCFD recommendations in advance of legal requirements. This year we will focus on the investigating priority risks through climate scenarios analysis. The ESG Committee will monitor the annual changes to these risks. The new Group science-based targets are communicated in this year's annual report.

# C3.3

### (C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.

| | Have climate-related risks and opportunities influenced your strategy in this area? | Description of influence |
|---|---|---|

| | | |
|---|---|---|
| Products and services | Yes | Energy Efficiency is key in reducing GHG emissions and managing climate change. Dixons Carphone is fully aware of this and offers products to its customers that contribute to the shift to a low carbon economy. Dixons Carphone wants to position itself as an environmentally aware retailer that provides high quality products to its customers while helping them to achieve economic savings. For example, Dixons Carphone has launched its own series of LED lights that hold the ISO9001 certification. By purchasing one of Dixons Carphone's LED light bulbs, customers can save a significant amount on their annual energy bills or make savings through the company's energy switching services. Other energy saving products helping consumers reduce their environmental footprint, include products such as the smart thermostats Hive and Nest. In September 2020, the business launched is very first "Go Greener" campaign which promoted appliances which helps customers save water, become more energy-efficient or reduce waste, these selected products also came with free delivery, installation and recycling. Due to its success, another "Go Greener" event launched in March 2021 with another one planned for September 2021. Additionally, due to the increased market demand for air conditioning units, Dixons Carphone are extending their product range to meet customers' expectations. Dixons Carphone is also a market leader in recycling services for WEEE. Throughout our channels, we encourage everyone to bring old or unwanted technology into our stores to be recycled or reused - whether they bought it from us or not. We will also collect our customers' unwanted electrical equipment and small electrical appliances recycling when we deliver their amazing new technology. Our strategy to respond to climate-related risks and opportunities influencing our products and services, covers both the short-term time horizon and medium-term time horizon. |
| Supply chain and/or value chain | Yes | Dixons Carphone's supply chain is impacted due to acute physical risks, such as adverse weather phenomena in its countries of operations. For example, extreme weather phenomena in the main markets where we operate, such as floods and fires, jeopardise the transportation of products to Dixons Carphone's facilities (upstream transportation) and to the company's customers (downstream transportation). A key strategic decision made was to incorporate potential acute physical risks into Dixons Carphone's Corporate ESG Risk Register so that related risks could be identified and addressed. Taking into account the climate-related risks and |

| | | |
|---|---|---|
| | | opportunities affecting our supply chain, Dixons Carphone has strategically decided to collaborate with multiple recyclers rather than one. Given the significant volume of waste electronics we collect for recycling, to ensure we maximise transport efficiencies and minimise risk to the supply chain operation, we use up to 34 different recycling plants across the UK each week. These fully approved and licenced locations are chosen based on their proximity to our existing transport routes meaning we aren't adding unnecessary mileage or vehicles into the operation. These multiple locations reduce the risk to the business of not being able to exit material for recycling due to plant downtime or extreme weather conditions, as the logistics operation would have the flexibility to divert vehicles to alternative recycling locations, if needed. The magnitude of the impact on this area is expected to be minor for Dixons Carphone following the company's definition of substantial financial impact and the associated categorisation. Our strategy to respond to climate-related risks and opportunities influencing our supply and value chain, covers both the short-term time horizon and medium-term time horizon. |
| Investment in R&D | No | Due to nature of the business, Dixons Carphone do not have an R&D function that deals directly with the development of the products that are sold. The decision of what products we will be supplying is based on our commercial team's market research of customer demands and market trends. Therefore the investment in R&D is only part of the manufacturers' operations. |
| Operations | Yes | The Fleet Compliance Team works together with the Health & Safety team and the Communications team to ensure all management and drivers are made aware of Dixons Carphone's policies and procedures regarding precautions for climate-related physical risks, such as extreme weather conditions. The team covers extreme winter conditions, extreme temperatures, high winds and heavy rain. It also provides driver training through our driver assessors as to safer and more fuel-efficient driving techniques in extreme weather conditions. Apart from fleet, Dixons Carphone's operations can be impacted by extreme weather phenomena, such as floods in warehouses. During our peak trading period we take on additional warehousing to hold stock, maintain supply chain efficiencies and cope better with larger quantities of products, enabling us to move more efficiently if specific centres are inaccessible. As an example of a strategic decision influenced by the climate-related risks |

| | | |
|---|---|---|
| | | and opportunities affecting our operations, in October 2020, Dixons Carphone opened its new 375,000sqft site near Bolton, as the Northern distribution hub for the supply chain network. Equipped with all modern facilities and designed to the latest environmental standards (EPC rated A and 'Very Good' BREEAM rating), this site is the workplace of nearly 200 colleagues. It will unlock an improved customer proposition in the North West, as well as providing more effective support to our stores and the national delivery network. It will allow for our top selling big box products to be held closer to our North West customers who need them, removing pressure from our National Distribution Centre in Newark and decreasing the risk force majeure events impacting the supply chain stopping us being able to deliver to our customers. The magnitude of the impact on this area is expected to be minor for Dixons Carphone following the company's definition of substantial financial impact and the associated categorisation. Our strategy to respond to climate-related risks and opportunities influencing our operations, covers both the short-term time horizon and medium-term time horizon. |

# C3.4

**(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.**

| | Financial planning elements that have been influenced | Description of influence |
|---|---|---|
| Row 1 | Revenues<br>Indirect costs<br>Capital expenditures<br>Capital allocation<br>Assets | Revenues: Energy efficiency and digitalisation are two essential trends for transitioning to a low carbon economy. Dixons Carphone is currently offering an increasing number of products (branded and own brand) that enable customers to reduce their emissions. For example, the company offers its own brand of LED light bulbs , heat pump tumble dryers and rooftop solar water heaters. A part of the company's revenue comes from these types of products, which Dixons Carphone expects to increase in the future. In terms of timescale foreseen, it is expected that this area will be impacted in the medium-term time horizon. The magnitude of impact is classified as minor following the company's definition of substantial financial impact and the associated categorisation.<br>Indirect Costs: Expenditure for energy is a significant part of Dixons Carphone's OPEX. For this reason, managing the risk of growing energy prices is a priority in our business strategy and has influenced Dixons Carphone's business decisions. That is why Dixons Carphone has decided to implement an energy management system for increasing |

| | | |
|---|---|---|
| | | energy efficiency (ISO 50001) in its sites in the UK and ROI. Dixons Carphone has ambitious emissions reduction targets and during this reporting year the company has reduced its total energy consumption by 14% on Group level (20% for UK&I). In terms of timescale foreseen, it is expected that this area will be impacted in the short-term time horizon. The magnitude of impact is classified as minor following the company's definition of substantial financial impact and the associated categorisation.<br>Capital expenditures and allocation: Extreme weather events, such as floods, can cause disruption to the transportation of Dixons Carphone's products to distribution centres and to customers. In addition, temperature increase leads to increased electricity consumption for cooling the company's stores. The main consequences for Dixons Carphone's lines of business could be the following:<br>• Physical damage to infrastructure<br>• Interruptions and problems in the services provided.<br>In order to reduce exposure to these risks Dixons Carphone has dedicated part of its CAPEX to upgrading the cooling systems of sites and retail stores for enabling natural circulation of air. During the last few years, the company has spent more than £500,000 on this kind of capital upgrade. In terms of timescale foreseen, it is expected that this area will be impacted in the short-term time horizon. The magnitude of impact is classified as minor following the company's definition of substantial financial impact and the associated categorisation.<br>Assets: The impact of acute physical risks related to climate change on Dixons Carphone's assets has already been considerable. For example, many of Dixons Carphone's sites across the UK have been affected due to flood, heavy rains, and storms and the costs associated with their impact is approximately £1,200,000. Hence, Dixons Carphone's assets have already been impacted in this regard and Dixons Carphone is considering this in its business planning. The magnitude of impact is classified as minor following the company's definition of substantial financial impact and the associated categorisation. |

## C3.4a

**(C3.4a) Provide any additional information on how climate-related risks and opportunities have influenced your strategy and financial planning (optional).**

# C4. Targets and performance

## C4.1

**(C4.1) Did you have an emissions target that was active in the reporting year?**

Absolute target

# C4.1a

**(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.**

**Target reference number**
Abs 1

**Year target was set**
2021

**Target coverage**
Company-wide

**Scope(s) (or Scope 3 category)**
Scope 1+2 (market-based)

**Base year**
2020

**Covered emissions in base year (metric tons CO2e)**
36,863

**Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)**
100

**Target year**
2030

**Targeted reduction from base year (%)**
50

**Covered emissions in target year (metric tons CO2e) [auto-calculated]**
18,431.5

**Covered emissions in reporting year (metric tons CO2e)**
35,321

**% of target achieved [auto-calculated]**
8.366112362

**Target status in reporting year**
New

**Is this a science-based target?**
Yes, and this target has been approved by the Science-Based Targets initiative

**Target ambition**
1.5°C aligned

**Please explain (including target coverage)**

Dixons Carphone's emissions reduction target, validated by the Science-Based Target initiatives commits the business to reduce absolute scope 1 and 2 GHG emissions 50% by financial year 2029/30 (1st May 2029-30th April 2030) from a financial year 2019/20 base year. The target is company-wide, covering all Dixons Carphone's operations in all geographies that we have activities. These ambitious Group reduction targets will be achieved, but not exclusively, through our transition to 100% renewable electricity, our commitments under EV100 to electric and low-carbon fuelled fleet.

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**Target reference number**

Abs 2

**Year target was set**

2021

**Target coverage**

Company-wide

**Scope(s) (or Scope 3 category)**

Scope 3: Purchased goods & services

**Base year**

2020

**Covered emissions in base year (metric tons CO2e)**

4,300,532

**Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)**

100

**Target year**

2030

**Targeted reduction from base year (%)**

50

**Covered emissions in target year (metric tons CO2e) [auto-calculated]**

2,150,266

**Covered emissions in reporting year (metric tons CO2e)**

3,250,795

**% of target achieved [auto-calculated]**

48.8189368199

**Target status in reporting year**

New

**Is this a science-based target?**

Yes, and this target has been approved by the Science-Based Targets initiative

**Target ambition**

1.5°C aligned

**Please explain (including target coverage)**

Dixons Carphone's emissions reduction target, validated by the Science-Based Target initiatives commits the business to reduce absolute scope 3 GHG emissions from purchased goods and services by 50% by financial year the 2029/30 (1st May 2029-30th April 2030) from a financial year 2019/20 base year. The target is company-wide, covering all geographies and businesses of the Group. Purchased goods and services, along with Use of sold product emissions (see Abs3) represent 99.3% of our total Scope 3 emissions. These ambitious Group reduction targets will be achieved, but not exclusively, through transition to renewable energy and low-carbon transportation, as well as working with suppliers through the EcoVadis Carbon Module reporting platform.

**Target reference number**

Abs 3

**Year target was set**

2021

**Target coverage**

Company-wide

**Scope(s) (or Scope 3 category)**

Scope 3: Use of sold products

**Base year**

2020

**Covered emissions in base year (metric tons CO2e)**

34,001,509

**Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)**

100

**Target year**

2030

**Targeted reduction from base year (%)**

50

**Covered emissions in target year (metric tons CO2e) [auto-calculated]**

17,000,754.5

**Covered emissions in reporting year (metric tons CO2e)**

23,061,342

**% of target achieved [auto-calculated]**

64.3510674776

**Target status in reporting year**

New

**Is this a science-based target?**

Yes, and this target has been approved by the Science-Based Targets initiative

**Target ambition**

1.5°C aligned

**Please explain (including target coverage)**

Dixons Carphone's emissions reduction target, validated by the Science-Based Target initiatives commits the business to reduce absolute scope 3 GHG emissions from the use of sold products by 50% by financial year the 2029/30 (1st May 2029-30th April 2030) from a financial year 2019/20 base year. The target is company-wide, covering all geographies and businesses of the Group. Purchased goods and services (see Abs2), along with Use of sold product emissions represent 99.3% of our total Scope 3 emissions. These ambitious Group reduction targets will be achieved, but not exclusively, through working with suppliers through the EcoVadis Carbon Module reporting platform, reviewing the range of products we sell based on emissions profile and informing and helping customers afford and purchase more energy efficient products.

# C4.2

**(C4.2) Did you have any other climate-related targets that were active in the reporting year?**

Net-zero target(s)
Other climate-related target(s)

# C4.2b

**(C4.2b) Provide details of any other climate-related targets, including methane reduction targets.**

**Target reference number**

Oth 1

**Year target was set**

2018

**Target coverage**

Country/region

**Target type: absolute or intensity**

Intensity

**Target type: category & Metric (target numerator if reporting an intensity target)**

Waste management

metric tons of waste diverted from landfill

**Target denominator (intensity targets only)**

metric ton of waste

**Base year**

2018

**Figure or percentage in base year**

86.3

**Target year**

2024

**Figure or percentage in target year**

100

**Figure or percentage in reporting year**

99.1

**% of target achieved [auto-calculated]**

93.4306569343

**Target status in reporting year**

Underway

**Is this target part of an emissions target?**

No

**Is this target part of an overarching initiative?**

No, it's not part of an overarching initiative

**Please explain (including target coverage)**

We have a target for Zero Waste to Landfill in the UK & Ireland of 95% by 2022 and 100% by 2024.

## C4.2c

**(C4.2c) Provide details of your net-zero target(s).**

**Target reference number**

NZ1

**Target coverage**

Company-wide

**Absolute/intensity emission target(s) linked to this net-zero target**

Abs1
Abs2
Abs3

**Target year for achieving net zero**

2040

**Is this a science-based target?**

No, but we are reporting another target that is science-based

**Please explain (including target coverage)**

We currently have a company-wide science-based target to 2030, which is a 50% reduction in our scope 1, 2 and 3 ((Category 1 and Category 11) )emissions against a 19/20FY base year. This 50% reduction will put our reduction trajectory inline to continue a further 50% reduction between 2030 and 2040, ultimately achieving net zero by 2040. Any remaining residual emissions which cannot feasibly be reduced further will be neutralised by permanently removing an equivalent amount of CO2 from the atmosphere through fully certified carbon offset and capture solutions.

# C4.3

**(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.**

Yes

# C4.3a

**(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.**

| | Number of initiatives | Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *) |
|---|---|---|
| Under investigation | 3 | 0 |
| To be implemented* | 0 | 0 |
| Implementation commenced* | 1 | 360.9 |
| Implemented* | 6 | 34,332 |
| Not to be implemented | 1 | 0 |

# C4.3b

**(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.**

**Initiative category & Initiative type**

Waste reduction and material circularity
Product/component/material recycling

### Estimated annual CO2e savings (metric tonnes CO2e)

3,005

### Scope(s)

Scope 3

### Voluntary/Mandatory

Voluntary

### Annual monetary savings (unit currency – as specified in C0.4)

308,597

### Investment required (unit currency – as specified in C0.4)

8,542

### Payback period

<1 year

### Estimated lifetime of the initiative

Ongoing

### Comment

Throughout our channels, we encourage everyone to bring old or unwanted technology into our stores to be recycled or reused-whether they bought it from us or not. We also collect our customers' unwanted electrical equipment and small electrical appliances for recycling when we deliver to our customers homes. Many of the appliances we collect are still functional, so we partner with the Reuse Network and Environcom that supports many charities in the UK, helping them alleviate poverty, reduce waste and tackle climate change.  9 of our Customer Service Centres are each partnered with a reuse partner which we repair and sell selected WEEE items collected during home deliveries. Through this collaboration in 2020, we diverted over 53,000 white goods and TVs for reuse, for which through the Reuse Network we helped 4,046 low income households save an estimated £1,150,250. . In Greece, through the Second Home initiative, we collect electrical appliances of domestic use that households do not need and would normally dispose. Dixons Carphone collects, checks, repairs if needed and then distributes the appliances cost-free, to low-income families. Since 2017,over 1,500 appliances have been rehomed. Estimated annual CO2e savings calculated based on avoided recycling emissions and avoided virgin production of materials for new products as a result of product reuse. Monetary saving calculated based on avoided recycling costs by diverting appliances for reuse.

### Initiative category & Initiative type

Energy efficiency in buildings
Building Energy Management Systems (BEMS)

**Estimated annual CO2e savings (metric tonnes CO2e)**

4,664

**Scope(s)**

Scope 2 (location-based)
Scope 3

**Voluntary/Mandatory**

Voluntary

**Annual monetary savings (unit currency – as specified in C0.4)**

1,969,817

**Investment required (unit currency – as specified in C0.4)**

105,000

**Payback period**

<1 year

**Estimated lifetime of the initiative**

Ongoing

**Comment**

In 2020/21 we further investigated the optimisation of the BEMS of our sites. The impact of Covid meant we had to swiftly respond to the closure of our stores as a result on lockdown and ensure electricity usage was managed effectively. Our BEMS also enabled us to avoid high energy usage in peak energy cost periods (4.30pm-6.30pm) helping reduce costs as well as energy consumption. The estimated annual CO2e savings reported include Scope 2 emissions reduction and the associated reduction of the Transmission & Distribution (T&D), Well to Tank (WTT) generation & WTT T&D emissions, reported under Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2).

**Initiative category & Initiative type**

Low-carbon energy consumption
Other, please specify
REGOs

**Estimated annual CO2e savings (metric tonnes CO2e)**

26,433

**Scope(s)**

Scope 2 (market-based)

**Voluntary/Mandatory**

Voluntary

**Annual monetary savings (unit currency – as specified in C0.4)**

0

**Investment required (unit currency – as specified in C0.4)**

52,979

**Payback period**

No payback

**Estimated lifetime of the initiative**

Ongoing

**Comment**

All UK and Nordic Mainland Group properties where we are responsible for supply contract are powered by 100% renewable electricity. The Group has purchased157,858,381 kWh of renewable energy generated by wind and hydro technologies. The renewable energy is certified by Renewable Energy Guarantees of Origin (REGOs) and independently verified.

**Initiative category & Initiative type**

Transportation

Company fleet vehicle efficiency

**Estimated annual CO2e savings (metric tonnes CO2e)**

0.46

**Scope(s)**

Scope 1

**Voluntary/Mandatory**

Voluntary

**Annual monetary savings (unit currency – as specified in C0.4)**

500

**Investment required (unit currency – as specified in C0.4)**

0

**Payback period**

<1 year

**Estimated lifetime of the initiative**

6-10 years

**Comment**

From March to July 2020, a small trial to fit solar panels on the roof of two 7.5t vehicles was carried out to support vehicle battery power. The solar panels utilises the energy from the sun to aid the running of electrical consumables in the van such as radio, heating, sat nav and tail-lifts, reducing the alternator output, saving fuel and subsequent CO2. The trial resulted in savings of 0.46 tonnes of CO2 and a projected annual cost saving of just under £500. When extrapolated out to our full fleet of Luton and Rigid vans its estimated to have an annual net benefit of £114,135 and reduce fleet emissions

by 360.9 tonnes. This benefit is based on the savings resulting from decrease fuel usage as well as operational savings such as reduced battery replacements, reduced component wear and vehicle downtimes. The investment is the cost of the fully installed solar PV panel system on the vans. The business case is currently getting finalised ready to be presented to our Investment Committee having been delayed in 2020 due to the impacts of the covid pandemic.

### Initiative category & Initiative type

Transportation
Company fleet vehicle replacement

### Estimated annual CO2e savings (metric tonnes CO2e)

1.24

### Scope(s)

Scope 1

### Voluntary/Mandatory

Voluntary

### Annual monetary savings (unit currency – as specified in C0.4)

234

### Investment required (unit currency – as specified in C0.4)

480

### Payback period

1-3 years

### Estimated lifetime of the initiative

Ongoing

### Comment

As part of our EV100 commitment we are aiming to transition our 3.5t van fleet to full electric by 2030. Trials on vans began in February 2021 at our Bolton home delivery depot, followed by Birmingham in April. Newark and Snodland trials both started post April 2021. As the trials currently consist of 1 van per site (as we gather data on real world range and costs) the CO2e savings and currency are hence very small. CO2e savings have been calculated based on trial van mileage and monetary savings relates to avoided diesel costs. Investment relates to the currently monthly rental of the vehicles. The Maxus 3 e-Deliver vans have been tested within our White Goods Repair team operation and more locations will be rolled out to as we expand our installation of charging points at our Customer Service Centres. We are also currently speaking to Citroen, Peugeot and Vauxhall about using their EV product. However due to demand and supply of demonstrators these alternative OEM vans will likely only give us around 6-8 weeks of trial data.

**Initiative category & Initiative type**

Energy efficiency in buildings
Lighting

**Estimated annual CO2e savings (metric tonnes CO2e)**

228.5

**Scope(s)**

Scope 2 (location-based)
Scope 3

**Voluntary/Mandatory**

Voluntary

**Annual monetary savings (unit currency – as specified in C0.4)**

106,173

**Investment required (unit currency – as specified in C0.4)**

388,045

**Payback period**

1-3 years

**Estimated lifetime of the initiative**

Ongoing

**Comment**

We committed a further investment of £400k in fitting LED lighting to the Bristol Distribution Centre, which means over 30% of the UK retail portfolio uses LED technology as the main source of lighting. The installation at Bristol also contributes to our target to have 100% LED coverage in new Buildings by 2025, which is in line with the British Retail Consortium's Climate Action Roadmap. Annual monetary savings is based on the estimated reduction in energy usage at the site as a result of the LED lighting against our fixed electricity unit price: 14.5p per unit * 732,227 kWh = £106,173. The estimated annual CO2e savings reported include Scope 2 emissions reduction and the associated reduction of the Transmission & Distribution (T&D), Well to Tank (WTT) generation & WTT T&D emissions, reported under Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2).

# C4.3c

### (C4.3c) What methods do you use to drive investment in emissions reduction activities?

| Method | Comment |
|---|---|
| Dedicated budget for energy efficiency | An annual Capital Expenditure budget is ring-fenced for energy efficiency projects. We've had nine consecutive years of a dedicated CAPEX budget for energy efficiency projects which has helped Dixons Carphone to reduce its scope 2 emissions from 154,000 t/CO2 (UK only) in 10/11 to 22,646 (UK and Republic of Ireland) in 20/21 (Scope 2-location based). |

| | |
|---|---|
| Financial optimization calculations | Investment in energy & emissions reductions activities is subject to the same level of financial review and return on investment as any other business project. |

# C4.5

**(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?**

Yes

# C4.5a

**(C4.5a) Provide details of your products and/or services that you classify as low-carbon products or that enable a third party to avoid GHG emissions.**

**Level of aggregation**

Group of products

**Description of product/Group of products**

Repair and recycling services

**Are these low-carbon product(s) or do they enable avoided emissions?**

Avoided emissions

**Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions**

Other, please specify

EU Circular Economy Package

**% revenue from low carbon product(s) in the reporting year**

5.1

**Comment**

We are committed to helping everyone enjoy amazing technology. Providing access to easy, affordable repair solutions is vital to protecting the planet as helping to extend a product's lifespan allows consumers to enjoy it for longer. These repair services can be accessed by taking out a Care Plan at the time of purchase, or purchasing a repair service directly when needed. Last year we completed 350,000 computing and TV repairs, 370,000 mobile phone repairs and 280,000 white goods repairs. We also offer in-store small repairs service, and the retailer is piloting a new 'Repair Live' service, supported by video technology connecting consumers at home to in-store experts. If a customers product cannot be repair then we also have services by which they can drop-in store or have collected from home their old tech, where we will ensure it is correctly and responsible recycled. We deem these as low-carbon services as our repair services help avoid customers need to by a new replacement product and the thus avoid the emissions related to purchasing a new product. The recycling service benefit ensures

valuable materials are recovered for recycling or reuse and avoids virgin production of materials for new products because of this material recovery.

# C5. Emissions methodology

## C5.1

**(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).**

### Scope 1

**Base year start**
May 1, 2019

**Base year end**
April 30, 2020

**Base year emissions (metric tons CO2e)**
20,742

**Comment**

### Scope 2 (location-based)

**Base year start**
May 1, 2019

**Base year end**
April 30, 2020

**Base year emissions (metric tons CO2e)**
51,131

**Comment**

### Scope 2 (market-based)

**Base year start**
May 1, 2019

**Base year end**
April 30, 2020

**Base year emissions (metric tons CO2e)**
16,121

**Comment**

## C5.2

**(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.**

Defra Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance, 2019

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

# C6. Emissions data

## C6.1

**(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?**

### Reporting year

#### Gross global Scope 1 emissions (metric tons CO2e)

20,952.12

#### Comment

Reporting Period: 1st May 2020 – 30th April 2021

## C6.2

**(C6.2) Describe your organization's approach to reporting Scope 2 emissions.**

### Row 1

#### Scope 2, location-based

We are reporting a Scope 2, location-based figure

#### Scope 2, market-based

We are reporting a Scope 2, market-based figure

#### Comment

Reporting Period: 1st May 2020 – 30th April 2021

## C6.3

**(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?**

### Reporting year

#### Scope 2, location-based

36,816.74

### Scope 2, market-based (if applicable)

14,368.4

### Comment

Reporting Period: 1st May 2020 – 30th April 2021

## C6.4

**(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?**

Yes

## C6.4a

**(C6.4a) Provide details of the sources of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure.**

### Source

Electricity consumption in Dixons Carphone's two small offices in Hong Kong and Brno

### Relevance of Scope 1 emissions from this source

No emissions from this source

### Relevance of location-based Scope 2 emissions from this source

Emissions are not relevant

### Relevance of market-based Scope 2 emissions from this source (if applicable)

Emissions are not relevant

### Explain why this source is excluded

Dixons Carphone has supporting operations in two small offices in Brno and Hong Kong. There is no natural gas consumption in the offices and only electricity is consumed. Acquisition of reliable electricity consumption data is difficult and inconsistent. Our latest evaluation of these two offices' electricity consumption indicates that the related Scope 2 emissions (location-based) from these two offices amount to less than 0.4% of our total Scope 2 (location-based) emissions and less than 0.3% of our total Scope 1 +2 (location-based) emissions. Emissions from this source are considered not relevant since they contribute to an immaterial percentage of our emissions inventory.

## C6.5

**(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.**

### Purchased goods and services

### Evaluation status

Relevant, calculated

### Metric tonnes CO2e

3,250,795

### Emissions calculation methodology

Emissions from the Goods for Resale and Goods Not for Resale purchased by Dixons Carphone have been calculated using spend data and the CEDA Database, adjusted for 2020, to convert spend to emissions. Where available, the suppliers' emissions inventory was taken into account. Spend entries corresponding to data related to Scope 1 and 2 emissions (e.g. electricity charges) and data related to the rest of Scope 3 categories that we have primary data for, have been excluded from the calculation.

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

8

### Please explain

## Capital goods

### Evaluation status

Not relevant, explanation provided

### Please explain

According to the GHG Protocol, companies should follow their own financial accounting procedures to determine whether to account for a purchased product as a capital good in this category or as a purchased good or service in category 1. Following this recommendation and based on Dixons Carphone's financial accounting, the emissions related to Capital Goods are already included in the ledger used to calculate Category 1 emissions.

## Fuel-and-energy-related activities (not included in Scope 1 or 2)

### Evaluation status

Relevant, calculated

### Metric tonnes CO2e

13,085

### Emissions calculation methodology

The upstream Well-To-Tank (WTT) emissions for all fuels used to calculate the organisation’s Scope 1 emissions and the emissions associated with the transmission and distribution (T&D) of electricity and district heating used by the organisation as well as the WTT emissions of T&D are reported in this category.
The calculation is based on our fuel, electricity and district heating consumption data used to calculate our Scope 1 and Scope 2 emissions.

Electricity and gas usage is based on supplier bills. Manual gap filling was conducted for a small proportion of supplies in the UK and Ireland, using an average of the consumption year to date. Electricity consumption through supplies where the landlord procures the energy is also included; this has been estimated either based on the average energy consumption per floor area for site type or using last year's data estimation.

The UK Government GHG Conversion Factors for company reporting (2020) and the IEA (2020) emission factors were applied to calculate the associated emissions.

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

99.5

### Please explain

## Upstream transportation and distribution

### Evaluation status

Relevant, calculated

### Metric tonnes CO2e

53,653

### Emissions calculation methodology

Fuel consumption by vehicles and container ships, used during transportation and distribution activities at Dixons Carphone's main distribution centres and retail stores, was used to calculate emissions associated with our upstream transportation and distribution activities. This includes emissions from i) shipping activities to ports of entry, ii) transportation from port of entry to hubs, iii) combined deliveries into Distribution hubs, Retail branches and customer service centres (CSC) and iv) warehousing services in the UK&I. UK Government GHG Conversion Factors for company reporting published in 2020 were applied for (i)-(iii), whereas emissions for (iv) were calculated using spend data and the CEDA Database, adjusted for 2020, to convert spend to emissions.

The emissions were calculated on a Well-To-Wheel (WTW) basis, which includes both Well-To-Tank (WTT) and Use Phase (Tank-To-Wheel) emissions.

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

99

### Please explain

## Waste generated in operations

### Evaluation status

Relevant, calculated

### Metric tonnes CO2e

2,588

### Emissions calculation methodology

Waste generated from Dixons Carphone's operations was calculated based on waste data from each geography (tonnage), including their respective waste disposal methods used. The waste tonnage was then multiplied by the appropriate UK Government GHG Conversion Factors for company reporting published in 2020 to calculate emissions.

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

### Please explain

## Business travel

### Evaluation status

Relevant, calculated

### Metric tonnes CO2e

415

### Emissions calculation methodology

Emissions from Dixons Carphone's business travel were calculated using:
i) fuel and mileage data from private vehicles used for business purposes (e.g. Fuel cards), ii) the annual flights bookings reports showing the departure and arrival airports for each journey and/or the distance travelled, iii) the annual rail journeys booking report showing the departure and arrival stations for each journey and the distance travelled, iv) the annual report showing the charge for fuel consumption on return of hired vehicles (UK&I) and v) the annual report showing number of cars rented and length of rent in days (Greece).

Emission factors from the UK Government GHG Conversion Factors for company reporting published in 2020 were applied to calculate total emissions. Figure refers to Dixons Carphone's UK&I and Greece business travel and grey fleet in the Nordics. The rest of business travel emissions for the Nordics are included in Category 1,

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

91

### Please explain

## Employee commuting

### Evaluation status

Relevant, calculated

### Metric tonnes CO2e

19,390

### Emissions calculation methodology

A commuting model which uses expected commuting times and regional transport activity data was used to estimate the total distance travelled by public and private transport for Dixons Carphone's employees in all countries of the company's operations. This was then converted into emissions using the UK Government GHG Conversion Factors for company reporting published in 2020.

Given the unique circumstances of the 2020-21 reporting year, when a number of employees were required to work from home due to Covid-19 restrictions, we have also includes in this category the emissions arising from the energy consumed in employees' houses for business purposes. A working from home model was used to calculate the working from home emissions. The model uses the expected electricity and natural gas consumption during office hours in an employee's house to estimate working from home emissions in each geography, for the number of employees not working from the company's premises.

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

### Please explain

## Upstream leased assets

### Evaluation status

Not relevant, explanation provided

### Please explain

The only upstream leased assets with scope 3 emissions that Dixons Carphone has are a small number of leased sites where the energy is on a landlord supply. The emissions from these sources are not material to the Dixons Carphone's Group global emissions.

## Downstream transportation and distribution

### Evaluation status

Relevant, calculated

### Metric tonnes CO2e

16,904

### Emissions calculation methodology

Within our UK&I and Greek operation many of the vehicles used to transport and distribute sold large appliances from the company's service centres to our customers are company-owned. For smaller items, we use a number of delivery companies that we outsource our customer delivery to. In our Nordic operation, all product deliveries are outsourced to third parties. Emissions from these services related to Downstream

Transportation and Distribution by Dixons Carphone in UK&I have been calculated using the delivery companies' average kgCO2e/parcel and the number of parcels delivered on behalf of Dixons Carphone. In Greece, the total distance travelled for the delivery of parcels was estimated internally; the UK Government GHG Conversion Factors for company reporting published in 2020 were applied to calculate total emissions, using the total distance travelled. Downstream transport and distribution emissions for our Nordics operations were estimated based on the average intensity of downstream emissions (tCO2e) per total spend on Goods For Resale (£) for the UK&I and Greece, and the Goods For Resale spend in the Nordics.
The emissions were calculated on a Well-To-Wheel (WTW) basis, which includes both Well-To-Tank (WTT) and Use Phase (Tank-To-Wheel) emissions.

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

59

### Please explain

## Processing of sold products

### Evaluation status

Not relevant, explanation provided

### Please explain

Dixons Carphone's products are mainly 'end' products ready for use, so there is no further processing of sold products other than through our Customer Returns facility in Newark where scope 1 & 2 emissions are measured.

## Use of sold products

### Evaluation status

Relevant, calculated

### Metric tonnes CO2e

23,061,342

### Emissions calculation methodology

The total units of products sold in each geography (UK&I, Greece, Nordics) were grouped in subcategories, categories and families. The power rating and lifetime of products within each subcategory was mapped, using publicly available estimations. When a range was given for the power rating, the maximum of the range was taken into account. Usage per day (in hours) has been assumed for each subcategory mapped. Averages have been calculated by subcategory, by category and by family to provide a layered approach to the calculations.
The most detailed level of information was preferred, i.e. if the product had product-level information (provided by the supplier) this was used; if not, the next level available mapping was used. Each product's lifetime energy was then multiplied with the net sales volume to provide the total use phase energy. At least 70% of products were assessed

using either primary data (supplier data) or the lowest level (subcategory) mapping. Well-to-Tank and Transmission & Distribution emissions are also accounted for The UK Government GHG Conversion Factors for company reporting, 2020 and the International Energy Agency, Emissions factors 2020 were applied to the products' lifetime energy to calculate the associated emissions.

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

19

### Please explain

## End of life treatment of sold products

### Evaluation status

Relevant, calculated

### Metric tonnes CO2e

9,990

### Emissions calculation methodology

The total units of products sold in each geography (UK&I, Greece, Nordics) were grouped in subcategories, categories and families. Products with no end of life emissions (e.g. software) were excluded from the calculation. An average weight per product was mapped for each family/category, based on the average weight of typical products within the family/category. This was then multiplied with the number of units within this family/category.

The latest country-wide disposal route ratios per country were used to estimate the tonnage disposed per method and emission factors from the UK Government GHG Conversion Factors for company reporting published in 2020 were applied to calculate total emissions.

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

### Please explain

## Downstream leased assets

### Evaluation status

Not relevant, explanation provided

### Please explain

Dixons Carphone sublet a small number of retail properties, and these represent the only downstream leased assets. Given the size and number of these properties, emissions from these sources are not considered material in the context of Dixons Carphone's global emissions.

### Franchises

#### Evaluation status

Not relevant, explanation provided

#### Please explain

Dixons Carphone reports using an operational control boundary, which excludes franchises.

### Investments

#### Evaluation status

Not relevant, explanation provided

#### Please explain

Dixons Carphone is mainly a retailer of electrical & communications goods & services, and as such does not have a significant level of investments. Scope 3 emissions arising from investments are therefore deemed not to be material.

### Other (upstream)

#### Evaluation status

#### Please explain

### Other (downstream)

#### Evaluation status

#### Please explain

## C6.7

**(C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?**

No

## C6.10

**(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.**

#### Intensity figure

0.0000055848

**Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)**

57,768.86

**Metric denominator**

unit total revenue

**Metric denominator: Unit total**

10,344,000,000

**Scope 2 figure used**

Location-based

**% change from previous year**

21

**Direction of change**

Decreased

**Reason for change**

Our emissions intensity in metric tons CO2e (location-based) per GBP of total revenue has decreased by 21%. This is due to the fact that our Scope 1 + 2 emissions decreased by 19.6% and that our revenue increased by 1.7%. Two successive Covid-19 lockdown periods had a significant impact on the operation of our estate. Store closures, changing operational hours, energy efficiency interventions, increased home working and less business-related travel contributed to a reduction in energy consumption. In 2020/21 we further invested in LED lighting and continual improvement of our Building Energy Management System to respond to the closure of our stores as a result on lockdown and ensure electricity usage was managed effectively.

# C7. Emissions breakdowns

## C7.1

**(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?**

Yes

## C7.1a

**(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).**

| Greenhouse gas | Scope 1 emissions (metric tons of CO2e) | GWP Reference |
|---|---|---|
| HFCs | 1,314.24 | IPCC Fifth Assessment Report (AR5 – 100 year) |

| | | |
|---|---|---|
| CO2 | 19,637.88 | IPCC Fifth Assessment Report (AR5 – 100 year) |

## C7.2

**(C7.2) Break down your total gross global Scope 1 emissions by country/region.**

| Country/Region | Scope 1 emissions (metric tons CO2e) |
|---|---|
| United Kingdom of Great Britain and Northern Ireland | 18,940.4 |
| Ireland | 320.58 |
| Greece | 1,122.07 |
| Norway | 32.58 |
| Denmark | 248.81 |
| Sweden | 229.78 |
| Finland | 57.9 |

## C7.3

**(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.**

By business division
By activity

## C7.3a

**(C7.3a) Break down your total gross global Scope 1 emissions by business division.**

| Business division | Scope 1 emissions (metric ton CO2e) |
|---|---|
| Dixons | 20,667.93 |
| Carphone Warehouse | 284.19 |

## C7.3c

**(C7.3c) Break down your total gross global Scope 1 emissions by business activity.**

| Activity | Scope 1 emissions (metric tons CO2e) |
|---|---|
| Emissions from combustion of fuel | 19,637.88 |
| Emissions from the operation of any facility | 1,314.24 |

## C7.5

**(C7.5) Break down your total gross global Scope 2 emissions by country/region.**

| Country/Region | Scope 2, location-based | Scope 2, market-based | Purchased and consumed electricity, heat, | Purchased and consumed low-carbon electricity, heat, steam |
|---|---|---|---|---|

| | (metric tons CO2e) | (metric tons CO2e) | steam or cooling (MWh) | or cooling accounted for in Scope 2 market-based approach (MWh) |
|---|---|---|---|---|
| United Kingdom of Great Britain and Northern Ireland | 21,011.09 | 1,117.27 | 90,122 | 86,907 |
| Ireland | 1,634.85 | 4.27 | 4,697 | 4,689 |
| Greece | 10,195.87 | 10,723.86 | 18,571 | 0 |
| Norway | 349.68 | 1,319.58 | 31,278 | 27,948 |
| Denmark | 1,678.7 | 77.43 | 10,870 | 10,703 |
| Sweden | 392.91 | 354.45 | 25,919 | 19,021 |
| Finland | 1,553.64 | 771.53 | 11,433 | 8,591 |

## C7.6

**(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.**

By business division

## C7.6a

**(C7.6a) Break down your total gross global Scope 2 emissions by business division.**

| Business division | Scope 2, location-based (metric tons CO2e) | Scope 2, market-based (metric tons CO2e) |
|---|---|---|
| Dixons | 34,652.78 | 14,124.69 |
| Carphone Warehouse | 2,163.96 | 243.72 |

## C7.9

**(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?**

Decreased

## C7.9a

**(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.**

| | Change in emissions (metric tons CO2e) | Direction of change | Emissions value (percentage) | Please explain calculation |
|---|---|---|---|---|

| | | | | |
|---|---|---|---|---|
| Change in renewable energy consumption | 1,540.8 | Decreased | 4.18 | 96% of Dixons Carphone UK electricity in 2020/21 was 100% renewable, fully backed by Renewable Electricity Guarantee of Origins ('REGOs') and independently verified. The percentage of UK renewable electricity in 2019/20 was 93%. This percentage increase in 100% green electricity in the UK resulted in 1540.8tCO2e savings. Calculation explained: 1540.8 tCO2e reduction attributed to additional REGOs purchases divided by the total Scope1+2 market-based emissions for 2019/20* which was 36,863 tCO2e) = (1540.8)/(36,863) = 4.18%<br><br>*The 2019/20 data has been recalculated due to the determination that the main supply contract for the Nordics Region included green electricity. The year on year difference is based on the recalculated 2019/20 data. |
| Other emissions reduction activities | 1.7 | Decreased | 0.005 | From March to July 2020, a small trial to fit solar panels on the roof of two 7.5t vehicles was carried out to support vehicle battery power. The solar panels utilises the energy from the sun to aid the running of electrical consumables in the van such as radio, heating, sat nav and tail-lifts, reducing the alternator output, saving fuel and subsequent CO2. The trial resulted in savings of 0.46 tonnes of CO2.<br>Additionally, trials on the transition of our 3.5t van fleet to full electric, which took place in our Bolton home delivery depot and Birmingham resulted to 1.24 tCO2e savings.<br><br>Calculation explained: Change in emissions: (Savings from Emission reductions activities) = 1.7 tCO2e Emissions value = (1.7)/(Total Sc1&2 in 2019/20)= (1.7)/(36,863) = 0.005% |
| Divestment | | | | |

| | | | | |
|---|---|---|---|---|
| Acquisitions | | | | |
| Mergers | | | | |
| Change in output | | | | |
| Change in methodology | | | | |
| Change in boundary | | | | |
| Change in physical operating conditions | | | | |
| Unidentified | | | | |
| Other | | | | |

## C7.9b

**(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?**

Market-based

# C8. Energy

## C8.1

**(C8.1) What percentage of your total operational spend in the reporting year was on energy?**

More than 0% but less than or equal to 5%

## C8.2

**(C8.2) Select which energy-related activities your organization has undertaken.**

| | Indicate whether your organization undertook this energy-related activity in the reporting year |
|---|---|
| Consumption of fuel (excluding feedstocks) | Yes |
| Consumption of purchased or acquired electricity | Yes |
| Consumption of purchased or acquired heat | Yes |

| | |
|---|---|
| Consumption of purchased or acquired steam | No |
| Consumption of purchased or acquired cooling | No |
| Generation of electricity, heat, steam, or cooling | No |

# C8.2a

**(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.**

| | Heating value | MWh from renewable sources | MWh from non-renewable sources | Total (renewable and non-renewable) MWh |
|---|---|---|---|---|
| Consumption of fuel (excluding feedstock) | HHV (higher heating value) | 0 | 89,098 | 89,098 |
| Consumption of purchased or acquired electricity | | 157,858 | 32,420 | 190,279 |
| Consumption of purchased or acquired heat | | 0 | 2,612 | 2,612 |
| Total energy consumption | | 157,858 | 124,130 | 281,988 |

# C8.2b

**(C8.2b) Select the applications of your organization's consumption of fuel.**

| | Indicate whether your organization undertakes this fuel application |
|---|---|
| Consumption of fuel for the generation of electricity | No |
| Consumption of fuel for the generation of heat | Yes |
| Consumption of fuel for the generation of steam | No |
| Consumption of fuel for the generation of cooling | No |
| Consumption of fuel for co-generation or tri-generation | No |

# C8.2c

**(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.**

**Fuels (excluding feedstocks)**
Burning Oil

**Heating value**
HHV (higher heating value)

**Total fuel MWh consumed by the organization**
99

**Emission factor**
2.54039

**Unit**
kg CO2e per liter

**Emissions factor source**
Government Greenhouse Gas (GHG) Conversion Factors for Company Reporting 2020 (DEFRA and BEIS)

**Comment**

**Fuels (excluding feedstocks)**
Natural Gas

**Heating value**
HHV (higher heating value)

**Total fuel MWh consumed by the organization**
28,501

**Emission factor**
0.18387

**Unit**
kg CO2e per KWh

**Emissions factor source**
Government Greenhouse Gas (GHG) Conversion Factors for Company Reporting 2020 (DEFRA and BEIS)

**Comment**

**Fuels (excluding feedstocks)**

Diesel

**Heating value**

HHV (higher heating value)

**Total fuel MWh consumed by the organization**

53,450

**Emission factor**

2.54603

**Unit**

kg CO2e per liter

**Emissions factor source**

Government Greenhouse Gas (GHG) Conversion Factors for Company Reporting 2020 (DEFRA and BEIS)

**Comment**

**Fuels (excluding feedstocks)**

Petrol

**Heating value**

HHV (higher heating value)

**Total fuel MWh consumed by the organization**

111

**Emission factor**

2.16802

**Unit**

kg CO2e per liter

**Emissions factor source**

Government Greenhouse Gas (GHG) Conversion Factors for Company Reporting 2020 (DEFRA and BEIS)

**Comment**

**Fuels (excluding feedstocks)**

Liquefied Petroleum Gas (LPG)

**Heating value**

HHV (higher heating value)

**Total fuel MWh consumed by the organization**

6,938

**Emission factor**

1.55537

**Unit**

kg CO2e per liter

**Emissions factor source**

Government Greenhouse Gas (GHG) Conversion Factors for Company Reporting 2020 (DEFRA and BEIS)

**Comment**

## C8.2e

**(C8.2e) Provide details on the electricity, heat, steam, and/or cooling amounts that were accounted for at a zero emission factor in the market-based Scope 2 figure reported in C6.3.**

**Sourcing method**

Power purchase agreement (PPA) with a grid-connected generator with energy attribute certificates

**Low-carbon technology type**

Low-carbon energy mix

**Country/area of consumption of low-carbon electricity, heat, steam or cooling**

United Kingdom of Great Britain and Northern Ireland

**MWh consumed accounted for at a zero emission factor**

86,907

**Comment**

**Sourcing method**

Power purchase agreement (PPA) with a grid-connected generator with energy attribute certificates

**Low-carbon technology type**

Low-carbon energy mix

**Country/area of consumption of low-carbon electricity, heat, steam or cooling**
Ireland

**MWh consumed accounted for at a zero emission factor**
4,689

**Comment**

**Sourcing method**
Unbundled energy attribute certificates, Guarantees of Origin

**Low-carbon technology type**
Hydropower

**Country/area of consumption of low-carbon electricity, heat, steam or cooling**
Norway

**MWh consumed accounted for at a zero emission factor**
27,948

**Comment**

**Sourcing method**
Unbundled energy attribute certificates, Guarantees of Origin

**Low-carbon technology type**
Hydropower

**Country/area of consumption of low-carbon electricity, heat, steam or cooling**
Denmark

**MWh consumed accounted for at a zero emission factor**
10,703

**Comment**

**Sourcing method**
Unbundled energy attribute certificates, Guarantees of Origin

**Low-carbon technology type**
Hydropower

**Country/area of consumption of low-carbon electricity, heat, steam or cooling**

Sweden

**MWh consumed accounted for at a zero emission factor**

19,021

**Comment**

**Sourcing method**

Unbundled energy attribute certificates, Guarantees of Origin

**Low-carbon technology type**

Hydropower

**Country/area of consumption of low-carbon electricity, heat, steam or cooling**

Finland

**MWh consumed accounted for at a zero emission factor**

8,591

**Comment**

# C9. Additional metrics

## C9.1

**(C9.1) Provide any additional climate-related metrics relevant to your business.**

# C10. Verification

## C10.1

**(C10.1) Indicate the verification/assurance status that applies to your reported emissions.**

| | Verification/assurance status |
|---|---|
| Scope 1 | Third-party verification or assurance process in place |
| Scope 2 (location-based or market-based) | Third-party verification or assurance process in place |
| Scope 3 | Third-party verification or assurance process in place |

## C10.1a

**(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.**

**Verification or assurance cycle in place**
Annual process

**Status in the current reporting year**
Complete

**Type of verification or assurance**
Limited assurance

**Attach the statement**

Dixons Carphone Plc - Final 2020 (FY) Verification Report - V4 Issued 20210716.pdf

**Page/ section reference**
Page 6 of 7, FINAL VERIFIED DATA / VERIFICATION OPINION

**Relevant standard**
ISO14064-3

**Proportion of reported emissions verified (%)**
100

## C10.1b

**(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.**

**Scope 2 approach**
Scope 2 location-based

**Verification or assurance cycle in place**
Annual process

**Status in the current reporting year**
Complete

**Type of verification or assurance**
Limited assurance

**Attach the statement**

Dixons Carphone Plc - Final 2020 (FY) Verification Report - V4 Issued 20210716.pdf

**Page/ section reference**
Page 6 of 7, FINAL VERIFIED DATA / VERIFICATION OPINION

**Relevant standard**

ISO14064-3

**Proportion of reported emissions verified (%)**

100

**Scope 2 approach**

Scope 2 market-based

**Verification or assurance cycle in place**

Annual process

**Status in the current reporting year**

Complete

**Type of verification or assurance**

Limited assurance

**Attach the statement**

Dixons Carphone Plc - Final 2020 (FY) Verification Report - V4 Issued 20210716.pdf

**Page/ section reference**

Page 6 of 7, FINAL VERIFIED DATA / VERIFICATION OPINION

**Relevant standard**

ISO14064-3

**Proportion of reported emissions verified (%)**

100

## C10.1c

**(C10.1c) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.**

**Scope 3 category**

Scope 3: Business travel

**Verification or assurance cycle in place**

Annual process

**Status in the current reporting year**

Complete

**Type of verification or assurance**

Limited assurance

**Attach the statement**

Dixons Carphone Plc - Final 2020 (FY) Verification Report - V4 Issued 20210716.pdf

**Page/section reference**

Page 6 of 7, FINAL VERIFIED DATA / VERIFICATION OPINION

**Relevant standard**

ISO14064-3

**Proportion of reported emissions verified (%)**

80

## C10.2

**(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?**

Yes

## C10.2a

**(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?**

| Disclosure module verification relates to | Data verified | Verification standard | Please explain |
|---|---|---|---|
| C8. Energy | Energy consumption | The verification was carried out according to ISO 14064-3 and involved a thorough review of calculation methodologies and an assessment of documented procedures. The verification has included a review of certification for claims of “green” electricity. The type of verification was Limited Assurance. | Dixons Carphone’s 100% global energy related to Scope 1 and Scope 2 emissions, as reported in C8.2a and C8.2c, has been verified for the reporting year 2020/21. In light of our compliance with Streamlined and Energy and Carbon Reporting (SECR) regulations, we have verified our energy consumption for 20/21 and we will continue to do so, on an annual basis. |

# C11. Carbon pricing

## C11.1

**(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?**

No, but we anticipate being regulated in the next three years

## C11.1d

**(C11.1d) What is your strategy for complying with the systems you are regulated by or anticipate being regulated by?**

Dixons Carphone is supported by external specialist consultants to assist with its compliance to the annual Carbon Reduction Commitment (CRC) submissions. The past compliance year (2018/19) was the last year of the CRC scheme. To ensure compliance, Dixons Carphone's Energy Manager shared input coming from specialist consultants with the Working Group, whose role is to implement the company's Sustainable Business Strategy. Specialist consultants collected data and information needed for reporting under CRC Energy Efficiency Scheme and ensured that Dixons Carphone purchased the respective allowances. The company is aware of the related future legislation replacing CRC.

## C11.2

**(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?**

No

## C11.3

**(C11.3) Does your organization use an internal price on carbon?**

No, but we anticipate doing so in the next two years

# C12. Engagement

## C12.1

**(C12.1) Do you engage with your value chain on climate-related issues?**

Yes, our suppliers

Yes, our customers

Yes, other partners in the value chain

## C12.1a

**(C12.1a) Provide details of your climate-related supplier engagement strategy.**

### Type of engagement

Information collection (understanding supplier behavior)

### Details of engagement

Collect climate change and carbon information at least annually from suppliers

### % of suppliers by number

3.5

### % total procurement spend (direct and indirect)

44

### % of supplier-related Scope 3 emissions as reported in C6.5

### Rationale for the coverage of your engagement

Actively engaging with its supply chain for reducing scope 3 emissions is one of the priorities set in Dixons Carphone's Sustainability and Social Impact Strategy. Dixons Carphone works to understand and manage its impact within its supply chain and the company is collaborating with suppliers as a force for good. All suppliers are encouraged to support our goal in being a sustainable business with many already having made good progress. In 2020/21 we partnered with one of the leading providers of business sustainability ratings, EcoVadis, to enable us to measure supplier performance across a wide range of metrics and identify ways we can champion positive activities, collaborate to improve performance, reduce our Scope 3 emissions and benefit wider society. Given the significant number of suppliers we have, our initial round of engagement was to target the top 50 branded suppliers and top 50 Goods Not For Resale (GNFR) suppliers by spend. We also engaged with all our own brand suppliers, given our closer relationship and influence with them. Dixons Carphone is also working with CDP to increase our visibility of our supplier responses via their CDP disclosures

### Impact of engagement, including measures of success

The first round of engagement resulted in 257 suppliers being approached by EcoVadis. This represented 61% of total procurement spend. However, 91 declined but the remaining 166 suppliers who have so far been rated or are in the process of being scored still represent 44% of total procurement spend. We measure the impact of this supplier engagement activity based on total procurement spend coverage. As this was the first year of using EcoVadis to collate data and responses from our suppliers, given the level and detail questioning we had targeted a 50% response rate, therefore achieving an initial engagement rate of over 60% has been deemed a success. We will continue to work with the suppliers who have initially declined, given they form part of our top 50 suppliers, to understand the barriers preventing them responding which will ultimately increase our overall coverage of suppliers by procurement spend. We will then be looking to engage further with the lower performing suppliers to develop action plans to make improvements on their decarbonisation plans which will ultimately support our own scope 3 reduction targets.

### Comment

# C12.1b

**(C12.1b) Give details of your climate-related engagement strategy with your customers.**

### Type of engagement

Education/information sharing

### Details of engagement

Run an engagement campaign to educate customers about the climate change impacts of (using) your products, goods, and/or services

### % of customers by number

51

### % of customer - related Scope 3 emissions as reported in C6.5

### Please explain the rationale for selecting this group of customers and scope of engagement

In September 2020, the UK&I business launched its very first “Go Greener” campaign, which ran for six weeks promoting appliances which helps customers save water, become more energy-efficient or reduce waste, these selected products also came with free delivery, installation and recycling. UK&I market was selected as due to customer insight surveys showing the increasing demand from customers in the region for energy efficient products and wanting to purchase products which could help them live for sustainable lives. Due to its success, another “Go Greener” campaign launched in March 2021 with another one planned for September 2021. We created a dedicated Go Greener sustainability webpage along with blogs and guides on how customers can get the most out of their technology and ways they can reduce their environmental impact via reduced energy, water consumption and food waste, alongside dedicated online, instore and media marketing. We also created our first Recycling Journey video which shows our customers what happens to their old packaging and appliances when they recycle with us and how it supports both our partner reuse organisations and the environment.

### Impact of engagement, including measures of success

We measure the impact of our “Go Greener” campaigns based on quantitative and qualitative metrics. As a quantitative metric, we monitor the increase of sales of the models included in the campaign, 6 weeks prior to the campaign and until the end of it. The most recent “Go Greener” campaign showed that models included within the campaigns saw a 22% increase during the campaign’s vs the six weeks prior. Likewise, participating brand sales were up 31% year-on-year. From a qualitative perspective, upon the completion of the campaigns, we circulated a customer survey in order to explore whether our customers agree with our green initiatives. 8 in 10 customers

claimed to have taken action as a result of the exposure with the most popular action being to have visited the website. Data showed those who recalled the campaigns were significantly more likely to agree with our green initiatives that 'Currys PC World make it easy with their Go Greener range to get amazing tech that's kinder to the planet'. Impressions of the Currys PC World brand improved due to the campaigns, with significant improvements, seen in 'care about the environment' and 'is an eco friendly brand', in keeping with campaign aims.

**Type of engagement**

Collaboration & innovation

**Details of engagement**

Run a campaign to encourage innovation to reduce climate change impacts

**% of customers by number**

100

**% of customer - related Scope 3 emissions as reported in C6.5**

**Please explain the rationale for selecting this group of customers and scope of engagement**

Throughout our channels, we encourage everyone to bring old or unwanted technology into our stores to be recycled or reused - whether they bought it from us or not. We will also collect our customers' unwanted electrical equipment, small electrical appliances and batteries for recycling when we deliver their amazing new technology. We train store colleagues to tell customers about our collection and recycling service and prompt online customers with the option of having their old appliance collected for recycling for a small fee. In addition, we provide a free in-store take back for all electronics and were the first UK retailer to offer a free small WEEE collection service as part of an existing home delivery service. We also operate several schemes to help colleagues easily recycle WEEE. Since Dixons Carphone is a retailer of technology products and services, our WEEE collection initiative is addressed to all our customers.

**Impact of engagement, including measures of success**

Dixons Carphone measures the impact of engagement by measuring and monitoring the volume of Waste Electric and Electronic Equipment collected every year and comparing it to the previous year's volume. Dixons Carphone's collective efforts have resulted in 64,071 WEEE tonnes being collected in 2020 in the UK&I, . In the Nordics we collected 32,929 tonnes and Greece 7,173 tonnes. In the UK&I, Nordics and Greece we achieved a 1% year-on-year increase in total WEEE tonnage collected despite all the challenges of store closures and restrictions due to the covid pandemic.

## C12.1d

**(C12.1d) Give details of your climate-related engagement strategy with other partners in the value chain.**

Other partners in our value chain refer to our engagement with employees and internal stakeholders and working groups that support the communities where we operate.
For 2020, we have included new sustainability questions into our 'Brand Tracker' to gauge how we compare to competitors and ensure continuous improvement. This is supported by in-depth ESG insights from an external provider as well as staying ahead of best practice through membership of professional organisations such as Business in the Community.
We have also established dedicated online 'Workplace' by Facebook Groups to further support colleague engagement with environmental issues, for example, it was used to help successfully phase out single use plastic cups from support centres in 2019 and for raising ongoing awareness of products and services with lower environmental impact as well as supporting positive colleague behaviours to further support our sustainability agenda. We also introduced a monthly environmental performance tracker which is shared with all colleagues everyone via our internal e-newsletter called "The Roundup". This provides colleagues with insight on recycling, reuse and emissions saves related to those activities.
We also working with suppliers, such as our two-year partnership with Grundig to equip community causes with new
kitchen technology (300 cooking, laundry, refrigeration and dishwashing appliances worth £145,000) to 150 food related charities, which were nominated by our store colleagues across the UK to help reduce food waste.

# C12.3

### (C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?

Direct engagement with policy makers
Trade associations

# C12.3a

### (C12.3a) On what issues have you been engaging directly with policy makers?

| Focus of legislation | Corporate position | Details of engagement | Proposed legislative solution |
|---|---|---|---|
| Other, please specify<br>E-waste recycling | Support | Through both direct engagement to DEFRA and via a working group held by ICER (Industry Council for Electronic Equipment Recycling) that we are members of, we provided a detailed case as to why the current UK distributor obligations needed to be changed to make it mandatory for retailers to offer in-store take- | The compelling evidence we provided showed that the current DTS service hindered the UKs opportunity to collect more WEEE and reduced convenience for householders to recycle. We proposed the removal of the DTS as an option for retailers who sell electronics items and that they should offer, like we have since 2007, to take back WEEE from customers for recycling. Evidence from both our UK and Norwegian stores showed the opportunity that can be achieved to capture more WEEE and increase recycling locations. In January 2020, it was announced by the recycling minister that from 2021 large retailers would be required to take |

| | | | |
|---|---|---|---|
| | | back for waste electronics. The UK was the only EU member state that made use of the derogation option under the WEEE Directive in relation to retailer take-back; all other EU states just made it mandatory whereas the UK create a secondary (financial) system (the DTS) for distributors to comply with their obligations under the WEEE Directive, without any need to offer take-back in their stores. Dixons Carphone was the only major retailers in the UK not to join the DTS and has been offering WEEE take-back in its stores since 2007. We provided detailed data from our experiences of operate take-back since 2007 both in the UK but also in our stores in Norway (where take-back has been mandatory for all retailers in Norway since the directive came into force). This highlighted the significant difference in collection volumes and customer engagement between mandatory and non-mandatory take-back systems. We also provided evidence to a sustainability consultancy, as part of their report for DEFRA | back waste electronics instore - https://www.letsrecycle.com/news/latest-news/large-retailers-collect-weee-instore/. WEEE recycling in the UK has net positive impact on carbon emissions; by increasing recycling points across the UK, we increase the chance that households' WEEE is recycled rather than potentially ending up in residual waste and landfill. |

| | | | |
|---|---|---|---|
| | | looking into successful EPR (Extended Producer Responsibility) models. The ICER working groups, which we attended, have representation from various stakeholders within the industry including representatives from DEFRA, BEIS (Department for Business, Energy & Industrial Strategy), the Environment Agency and OPSS (Office for Product Safety and Standards). | |

## C12.3b

**(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?**

Yes

## C12.3c

**(C12.3c) Enter the details of those trade associations that are likely to take a position on climate change legislation.**

**Trade association**

British Retail Consortium Policy Board

**Is your position on climate change consistent with theirs?**

Consistent

**Please explain the trade association's position**

The British Retail Consortium is a trade association for all UK retailers, promoting the story of retail, shaping debates and influencing the issues that matter to the industry. As the UK's largest private sector employer, with a customer base of 67 million people, the retail industry has an important role to play to rapidly decarbonise the global economy. As well as providing goods and services for UK customers and supporting livelihoods for millions around the world – for many of whom the impact of weather extremes is already tangible - the industry also contributes significantly to the underlying drivers of climate change, with value chain emissions of approximately 215 MtCO2e (million tonnes CO2-equivalent) per year. The retail industry recognises it has a key part to play in tackling

climate change. This is why retailers have come together through the BRC to develop a decarbonisation plan. The Climate Action Roadmap is designed to guide British retail along the steps necessary to achieve a Net Zero UK, ahead of the Government's 2050 target.

**How have you influenced, or are you attempting to influence their position?**

To help shape The Climate Action Roadmap to ensure it was ambitious yet realistic, Dixons Carphone was one of 20 Roadmap Development Founders to help develop and shape this decarbonisation strategy for the UK retail sector. We worked across several workshops with other leading retailers and external consultants to provide insight and direction on certain measures and targets. We continue to promote the Roadmap, are actively involved in working groups to share best practice and have also set targets for our own organisation that align with and are in support of this sector ambition. https://brc.org.uk/climate-roadmap/

## C12.3f

### (C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

Our vision, to help everyone enjoy amazing technology, has a powerful social purpose at its heart. We believe in the power of technology to improve lives, help people stay connected, productive, healthy and entertained. We're here to help everyone enjoy those benefits and with our scale and expertise we are uniquely placed to do so.

We are committed to operating a responsible business by understanding stakeholder expectations and best practice and reflecting this in our business decisions. We report on the sustainability issues most relevant to Dixons Carphone and our value chain. Dixons Carphone has set targets and goals for the company's priorities including reducing emissions

We support UN sustainability goals (SDGs) in particularly those relating to modern slavery, sustainable economic growth, inequalities, responsible consumption and production and climate change.

In March 2020, we became a founding signatory of the BRC Taskforce on Climate Action to develop a ground-breaking decarbonisation plan that will guide the industry on the steps necessary to accelerate progress to a Net Zero UK, ahead of the Government's 2050 target. The BRC Climate Action roadmap was officially published in November 2020, which outlined the commitment for the UK retail sector to be Net Zero by 2040, with scope 1 and 2 emissions net zero by 2035 at the latest. In August 2020, we signed up with The Climate Groups EV100 initiative, committing to changing all of our vans up to 3.5 tonnes (approx. 300 vehicles) and transition at least 50% of its 500 medium duty vehicles (up to 7.5 tonnes) to electric. Where it is not feasible to swap to electric, the fleet will use other low-emission solutions. All these commitments will ultimately support our science-based targets, which were validated by the SBTi in 2021. It commits us to reduce absolute scope 1 and 2 GHG emissions 50% by FY2029/30 from a FY2019/20 base year. We also commit to reduce absolute scope 3 GHG emissions from purchased goods and services and use of sold products 50% within the same timeframe. For the first time, our 21/22 FY corporate bonus scorecard now includes two ESG metrics, scope 1 and 2 emissions reductions (in line with our validated science-based targets) and e-waste collection and recycling volume. This is applicable to all UK&I employees but only

the Nordics and Greece senior leadership. The aim will be to have it applicable to all employees across the group in future years.
The implementation of our Group Sustainability and Social Impact Strategy is supported across Dixons Carphone's teams (ESG, Energy, Supply Chain, Fleet, Risk and others) and one of the pillars of this strategy is the policy advocacy. It is recognised that Dixons Carphone has to work with the sector to promote the role of retail for climate change mitigation and adaptation and this is reflected through the company's active involvement in the Government's All-Party Corporate Responsibility Group, Business in the Community (BITC) and the British Retail Consortium (BRC), engaging on areas such as the Minimum Energy Efficiency Standards ('MEES') regulations. To achieve our joint sector-wide target of climate change mitigation and adaptation in retail and to ensure consistency with the company's global strategy and practice, Dixons Carphone has established the following:

- ESG Committee: The ESG Committee comprises of Board members, representatives and decision-makers across different teams. The role of the ESG Committee is to provide direction and to approve decisions regarding the company's climate change strategy and the discussions with policy makers.
- Quarterly meetings: The ESG committee meets quarterly for alignment and coordination across the company, for engaging with suppliers and customers and with policy makers and trade associations. Following to the meetings, briefings are produced and shared, covering issues discussed and updates.

# C12.4

**(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).**

### Publication

In mainstream reports

### Status

Complete

### Attach the document

dixons-carphone-annual-report-2020-21.pdf

### Page/Section reference

Pages 32-43

### Content elements

Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets

Other metrics

**Comment**

Dixons Carphone's AR20/21 can also be found online here - https://www.dixonscarphone.com/sites/dixons-carphone-v2/files/results%20and%20presentation/dixons-carphone-annual-report-2020-21.pdf

# C15. Signoff

## C-FI

**(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.**

## C15.1

**(C15.1) Provide details for the person that has signed off (approved) your CDP climate change response.**

| | Job title | Corresponding job category |
|---|---|---|
| Row 1 | Executive Director of Strategy and Corporate Affairs | Board/Executive board |

# SC. Supply chain module

## SC0.0

**(SC0.0) If you would like to do so, please provide a separate introduction to this module.**

## SC0.1

**(SC0.1) What is your company's annual revenue for the stated reporting period?**

| | Annual Revenue |
|---|---|
| Row 1 | |

## SC0.2

**(SC0.2) Do you have an ISIN for your company that you would be willing to share with CDP?**

## SC1.1

**(SC1.1) Allocate your emissions to your customers listed below according to the goods or services you have sold them in this reporting period.**

## SC1.2

**(SC1.2) Where published information has been used in completing SC1.1, please provide a reference(s).**

## SC1.3

**(SC1.3) What are the challenges in allocating emissions to different customers, and what would help you to overcome these challenges?**

| Allocation challenges | Please explain what would help you overcome these challenges |
|---|---|

## SC1.4

**(SC1.4) Do you plan to develop your capabilities to allocate emissions to your customers in the future?**

## SC2.1

**(SC2.1) Please propose any mutually beneficial climate-related projects you could collaborate on with specific CDP Supply Chain members.**

## SC2.2

**(SC2.2) Have requests or initiatives by CDP Supply Chain members prompted your organization to take organizational-level emissions reduction initiatives?**

## SC4.1

**(SC4.1) Are you providing product level data for your organization's goods or services?**

# Submit your response

**In which language are you submitting your response?**

English

## Please confirm how your response should be handled by CDP

| | I am submitting to | Public or Non-Public Submission | Are you ready to submit the additional Supply Chain questions? |
|---|---|---|---|
| I am submitting my response | Investors<br>Customers | Public | |

## Please confirm below