



**WE HELP
EVERYONE
ENJOY
AMAZING
TECHNOLOGY**

**SUSTAINABLE BUSINESS
FROM
ANNUAL REPORT
& ACCOUNTS
2020/21**

SUSTAINABLE BUSINESS OUR APPROACH

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. We have developed the framework below to report on key initiatives and our progress against these material issues.

 **United Nation SDGs**
Read more about the 17 UN Sustainable Development Goals ('SDGs') at: <https://sdgs.un.org/goals>

	Material issues	Achievements	Link to related SDG
<p>OUR COLLEAGUES WE ARE PROUD OF OUR CAPABLE AND COMMITTED COLLEAGUES</p> <p> Read more on page 33.</p>	<p>Capable and committed colleagues are our greatest advantage. We are increasing our focus on colleague engagement to create a happier, healthier and more productive workforce, united through our values and culture, and with better access to physical and mental health support.</p>	<p>765 Total number of trained Mental Health Champions and accredited Mental First Aiders</p>	<p> </p>
<p>OUR CUSTOMERS WE HELP CUSTOMERS REDUCE THEIR ENVIRONMENTAL IMPACT</p> <p> Read more on page 34.</p>	<p>We are a leader in extending the life of technology through repair, recycling and reuse. We offer customers products that help them save energy, reduce waste and save water.</p>	<p>104k tonnes e-waste collected across our Group for reuse or recycling</p>	<p>  </p>
<p>OUR SUPPLIERS WE ARE COLLABORATING WITH SUPPLIERS AS A FORCE FOR GOOD</p> <p> Read more on page 36.</p>	<p>We work together with manufacturers and suppliers to offer customers more sustainable products and to ensure our products are sourced responsibly.</p>	<p>1.7m Number of individual pieces of plastic packaging removed</p>	<p>  </p>
<p>OUR COMMUNITIES WE ARE A COMPANY FOR EVERYONE</p> <p> Read more on page 38.</p>	<p>We bring technology to everyone everyday. We partner with charitable organisations to bring the benefits of amazing technology to those who might otherwise be excluded.</p>	<p>£1m pledged to The Learning Foundation to combat digital poverty</p>	<p>   </p>
<p>OUR ENVIRONMENT WE ARE TAKING ACTION TO REDUCE OUR ENVIRONMENTAL IMPACT</p> <p> Read more on page 40.</p>	<p>We will achieve net zero emissions by 2040. We are reducing our impact on the environment not only through the energy and resources used by our operations, but also in our wider value chain.</p>	<p>4% Reduction in Scope 1 and 2 emissions against a 2019/20 baseline</p>	<p>  </p>
<p>OUR SHAREHOLDERS WE MAKE IT EASY TO UNDERSTAND OUR PROGRESS</p> <p> Read more on page 44.</p>	<p>We set clear targets and commitments and report on progress and performance during the year. We comply with relevant external frameworks and initiatives, including the recommendations of the Task Force on Climate-related Financial Disclosures.</p>	<p> 1 Our score in ISS ESG Environment in April 2021</p>	<p>  </p>

SUSTAINABLE BUSINESS OUR COLLEAGUES

WE ARE PROUD OF OUR CAPABLE AND COMMITTED COLLEAGUES

Our colleagues are our greatest advantage and are critical and central to the success of our business strategy and the realisation of our Vision. We prioritise their safety and wellbeing.

Health and Safety (H&S)

We work hard to make our colleagues feel safe.

Since the onset of the Covid-19 pandemic the H&S team have been directly involved in nearly every part of the business, providing cross-functional support to help keep it operating, minimising disruption for the business and creating Covid-19 safe environments for our colleagues and customers.

The commitment to meet our obligations for health, safety and welfare is set out in the company's Health and Safety Policy, which was reviewed last year and approved by our Group Chief Executive.

Our H&S Management System continues to be developed to ensure we manage significant risks to colleagues, contractors, customers and visitors to our locations. Regular internal inspections in our retail stores and audits across our supply chain, contact centre and corporate offices are undertaken to verify compliance with these standards.

H&S objectives have been set for our most senior managers and incorporated into their annual performance targets and have been cascaded down throughout the management structure to ensure broader colleague engagement with our wider H&S agenda.

In the UK and Ireland we continue to focus on colleague training, including:

- H&S Induction – e-learning, which is refreshed on an annual basis.
- Covid-19 Safe Working – a compulsory module for any colleague that cannot work from home and needs to attend one of our sites.
- Display screen equipment ('DSE') training and work-station assessments – colleagues are requested to complete these, whether working

from home or in their usual place of work, and appropriate DSE-related equipment is provided to facilitate better work station set up.

- Driving assessments for new employees and agency drivers with regular refreshers, as well as reactive and targeted assessments for anyone involved in a road traffic accident.
- Face-to-face training on topics including first aid, fire marshalling and material handling equipment, as well as refresher training to maintain core competency in these areas.

Overall accident numbers have decreased by 31% across all our locations, but Reporting of Injuries, Diseases and Dangerous Occurrences Regulations ('RIDDOR') accidents have increased (up 7% v 2019/20).

Renewed focus on manual handling accidents is taking place to identify root causes and this presents an opportunity to significantly reduce level of injury and RIDDOR numbers through 2021/22. A state-of-the-art training facility has been built in our new Regional Distribution Centre in Bolton providing opportunities for colleagues to practice handling products in a variety of simulated real-world scenarios including van tail-lifts, stairs, doorways and mock-up kitchens. This academy will provide a blueprint for other locations.

For road safety, our Operations Procedures document has undergone a revamp to reflect changes put in place to improve road safety. Regular briefs and mail drops have continued to remind drivers of the importance of carrying out daily vehicle checks, inspect essential equipment and assess potential risks. Furthermore, despite Covid-19 we have utilised online meetings to aid us in continuing to improve driver behaviour.



FURTHER INFORMATION



Our people are at the centre of who we are because it makes us what we are. Read more about our colleagues including:

- **Safety and wellbeing of our colleagues** – see page [22](#)
- **Attracting the talent we need** – see page [23](#)
- **Developing our colleagues and help them build skills for life** – see page [24](#)
- **Recognising and rewarding our people** – see page [26](#)
- **Building a culture of inclusion and diversity** – see page [26](#)
- **Building a culture of communication and engagement** – see page [27](#)
- **Enhancing colleague experience** – see page [27](#)



Gender Pay

Read our Gender Pay Report online at www.dixonscarphone.com

SUSTAINABLE BUSINESS OUR CUSTOMERS

WE HELP CUSTOMERS REDUCE THEIR ENVIRONMENTAL IMPACT

We recognise the pressing need to improve our use of resources and create circular business models. We are a leader in extending the life of technology through repair, recycling and reuse and we offer customers products that help them save energy, reduce waste and save water.

REUSE AND RECYCLING

£1.7m

saved from our parts harvesting operation in our Customer Repair Centre, reducing the demand for new parts and lead time on repairs

1 million

checks and repairs by our UK Repair Centre, in store or in customer homes, ensuring customers can continue to enjoy their amazing technology

43%

of all e-waste collected by UK retailers in 2020 was collected by us



Our 'greener' products

To help customers make more sustainable purchasing decisions and reduce their carbon footprint, we introduced 'Go Greener' events in store and online. Held in Autumn and Spring, these events were designed to promote the attributes of the products and services we sell, with a focus on saving energy, reducing waste and saving water, with free recycling when buying products from our 'Go Greener' range.

This year has also seen us adjust our selling information in line with the new requirements for Energy Labelling.

Packaging

We offer customers a free packaging recycling service when we deliver and unbox large household appliances, resulting in thousands of tonnes of packaging retrieved.

We are one of the largest recyclers of polystyrene in the UK, recycling 12% of all post-consumer polystyrene recycled in the UK. To help more of our customers recycle EPS (expanded polystyrene), we are launching take-back trials at 14 stores in the UK in 2021. Large appliances, such as TVs, purchased directly from our stores are commonly packed with EPS, due to its outstanding impact protection, low weight and versatility. EPS is 100% recyclable, yet very few councils collect it from households, with most ending up in household waste. If successful, we will roll out the service across all our UK stores enabling EPS to be recycled into items such as insulation panels for home.



Plastics and packaging

Read more about how we are working with our suppliers to reduce plastic and packaging on page 37.

Product recycling

Throughout our channels, we encourage everyone to bring old or unwanted tech into our stores to be recycled or reused – whether they bought it from us or not.

Store colleagues are trained to tell customers about our collection and recycling service. Customers shopping online are prompted with the option of having their old appliance collected for recycling for a small fee.

We collect our customers' unwanted electrical equipment and small electrical appliances for recycling when we deliver their new technology.

We also provide a free in-store take back for all electronics and were the first UK retailer to offer a free small e-waste collection service as part of an existing home delivery service. We are exploring how to offer recycling from home through our third-party delivery couriers, so customers buying smaller items online also have a convenient way to recycle their old or unwanted tech.

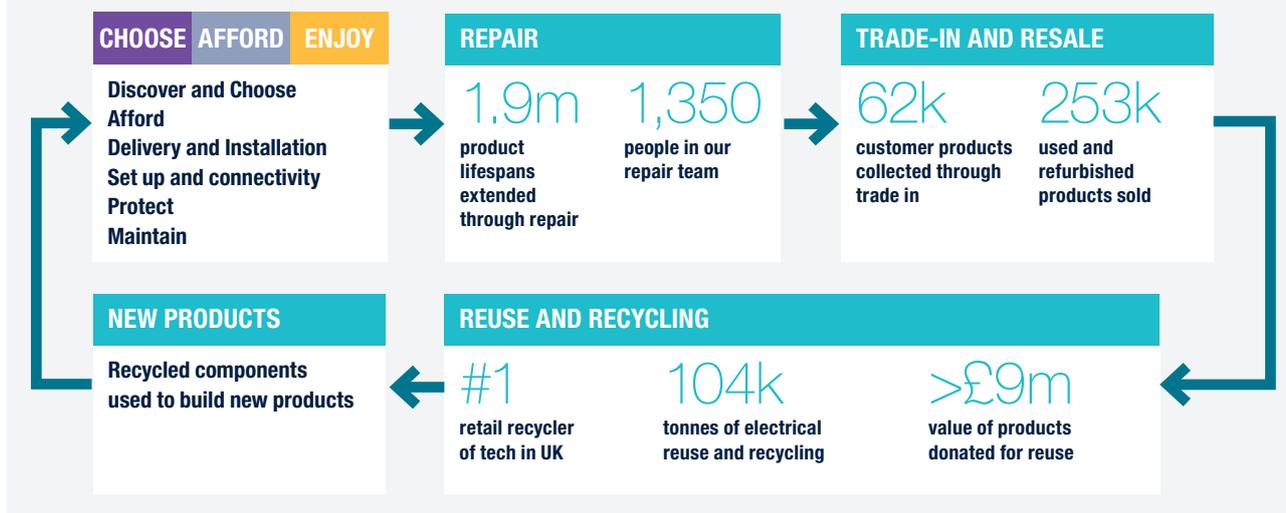
Our award-winning waste management programme for these items continues to evolve, with 104,173 tonnes of e-waste collected across our Group, a slight increase on 2019. In the UK this means we collect over 40% of the waste electricals collected by UK Retail.



Reuse and recycling

Find out more and see our reuse and recycling programme in action on www.currys.co.uk

WE ARE #1 AT SUSTAINABLY EXTENDING THE LIFE OF, AND RECYCLING, PRODUCTS



Product repair

In the UK our 1,350-person repair team processes and repairs over a million products a year – including over 350,000 computing and vision repairs, over 370,000 mobile phones and more than 280,000 white goods repairs. In the Nordics we repair over 900,000 products each year.

We are the leader in repairs of electronics in Norway, and repairs are an important focus area for us in the future. We have launched spare part solutions in all Nordic countries with several million spare parts available on our online platform. We have also established several in-store repair

locations this year, with several functioning as regional workshops. Our technical helpdesk assists our customers with increasing product life and we launched Elcare Extended warranty as a service for all categories on all major product groups in November 2021.

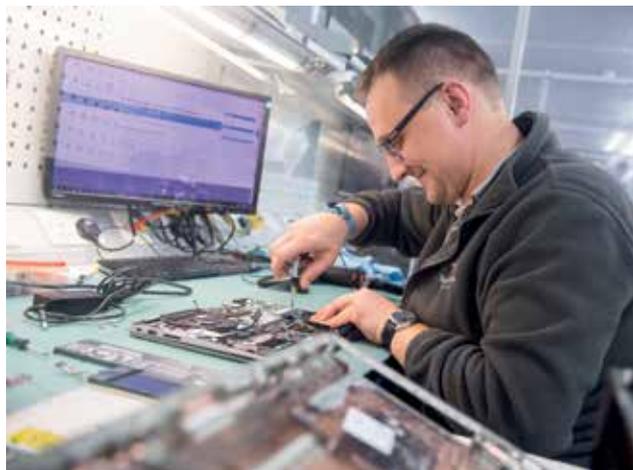
Product reuse

We seek opportunities for the reuse of unwanted tech that is returned to us. For example, items can be used to help train new repair or installation engineers or repaired and refurbished to support local causes and low-income families.

We partner with the Reuse Network who support over 150 charities across the UK. Through them, we helped 4,046 low income households save more than £1m in 2020.

We also work with the UK's largest independent recycler of e-waste and provider of reuse, Environcom, to support major UK charities with approximately £8 million worth of refurbished white goods each year.

Through the 'Second Home' programme in our Kotsovolos stores, over 1,500 refurbished appliances have been distributed to families in need since 2017.



SUSTAINABLE BUSINESS OUR SUPPLIERS

WE ARE COLLABORATING WITH OUR SUPPLIERS AS A FORCE FOR GOOD

Our partnerships with suppliers make a big difference – they know their products best and help us to bring amazing technology to life for our customers in meaningful ways.



Responsible sourcing standards

For customers to enjoy our amazing technology, they need peace of mind that we're sourcing responsibly. With around 10,000 suppliers across the globe, we strive to leverage our size and unique capabilities to do good.

Our Standards for Responsible Sourcing provide clear guidelines on the high standards and common values we expect from our suppliers; setting out minimum requirements across human rights, labour, environment, anti-corruption, integrity, business ethics, data security and social impact, which apply in addition to compliance with all relevant national and international legislation.

An Anti-bribery, Hospitality and Gifts Policy is in place. The procedures in place to oversee the anti-corruption and bribery control environment are reviewed by the Audit Committee on at least an annual basis and most recently in June 2021. The full Policy is reviewed by the Board periodically.

We are members of the Ethical Trading Initiative ('ETI') which helps drive continuous improvement, through the sharing of best practice and collaboration. Our Standards for Responsible Sourcing ask suppliers and their supply chains to work towards full compliance with the ETI Base Code.



Responsible Sourcing

Our Responsible Sourcing Standards are available on www.dixonscarphone.com



Modern slavery

We fully support the government's objectives to eradicate all forms of modern slavery and human trafficking. The fact that modern slavery still exists today is abhorrent and eradication requires collaboration and transparency.

Since the introduction of the UK Modern Slavery Act we have increased our efforts to help eradicate this issue through initiatives that mitigate risk and identify areas in need of more focus. All suppliers receive our Modern Slavery Policy, which sets out the actions to take if a case of modern slavery is discovered or suspected.

We are founder members of the Slave Free Alliance, which is a best practice membership scheme run by the modern slavery charity, Hope for Justice. We are leveraging their experience to review our recruitment practices within our distribution network in the UK and are working in partnership with our waste and recycling partners to risk assess their own suppliers.



Modern Slavery

Our Modern Slavery Statement is available on www.dixonscarphone.com

Assessing and improving ethical performance

A dedicated team help colleagues making purchasing decisions, ensuring our Standards are upheld and considered alongside traditional drivers such as price, product features and stock availability. This process is helping us to grow our product range from ethically and responsibly aware supply chains and safeguard against risk. We also conduct targeted training on the ETI Base Code, and modern slavery.

Auditing and risk assessments are a governing part of our own label and licensed brand supplier selection process and ongoing relationships.

Suppliers must comply with our rigorous terms and operational procedures, implementing and enforcing effective systems and controls to meet our minimum standards in respect of health and safety, wages, working hours, equal opportunities, freedom of association, collective bargaining and disciplinary procedures. Employing forced or child labour is strictly against our terms of operation.

Ethical audits on our own label and licenced brand suppliers are well-established. Our audit criteria are reviewed regularly to remain relevant. In 2020/21 we completed an in-depth review and enhanced the criteria to enable us to monitor and drive improvements in areas such as gender equality in both worker and management populations at manufacturing sites.

If issues are identified from an audit, we work with the supplier on a corrective action plan. If it is not possible for the supplier to improve their performance or we do not see positive results, they will not be approved, or they will be delisted.



Supplier sustainability

All suppliers are encouraged to support our goal in being a sustainable business with many already having made good progress.

Our branded suppliers continue to reduce plastic packaging and innovate. For example, HP are reusing ocean-bound plastic in their products – plastic that has not yet found its way into the ocean, is not likely to be collected and found on the ground within 50 kilometres of a waterway or coastal area.

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.



Plastics and packaging

Suppliers are key to helping us address areas of public concern, such as unnecessary plastic.

We have clear guidance for suppliers to support the reduction of plastic packaging. We engage with our own label and licensed brand suppliers to identify and implement improvements.

We have 140 products that are packaging free or only essential plastic (where we are yet to find a better solution to prevent transit damage) remains. In 2020/21 we removed 1.7m individual pieces of plastic packaging, that equated to 27 tonnes of plastic, including 16 tonnes in our plastic packaging free ADX gaming range and a further eight tonnes across our headphones and mobile accessories. The packaging now used is fully recyclable at kerbside by our customers.

In the next 12 months we expect to see more products become plastic packaging free and see the amount of plastic used reduced significantly. We are working with suppliers of larger items such as microwaves and refrigeration to create solutions that find a balance between reducing the environmental impact of packaging and ensuring that our customers receive their products free from damage.

We remain committed to making all the plastic packaging we use on our own label products reusable or recyclable by 2023.



Sector collaborations

We collaborate with our suppliers and other external stakeholders as a force for good, to advocate and effect change.

We are members of a number of organisations such as the British Retail Consortium ('BRC'), the Ethical Trading Initiative ('ETI') and the government's All-Party Corporate Responsibility Group.

We support key sector initiatives such as the BRC Taskforce on Climate Action which launched a ground-breaking decarbonisation plan to help guide the Retail industry on the steps necessary to accelerate progress to a Net Zero UK, ten years ahead of the government's 2050 target. We were also the first electrical retailer to sign up to EV100, a global initiative bringing together forward looking companies committed to accelerating the transition to electric vehicles.

Working with suppliers to support communities

Our two-year partnership with Grundig equipped community causes with new kitchen technology. Through this supplier collaboration, we donated a total of 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.



Read more about how we are addressing our emissions on pages [40–43](#) and [45](#).



Read more about how we are addressing our customers' concerns about packaging on page [34](#).

SUSTAINABLE BUSINESS OUR COMMUNITIES

WE ARE A COMPANY FOR EVERYONE

We bring technology to everyone everyday. We partner with charitable organisations to bring the benefits of amazing technology to those who might otherwise be excluded.

PROVIDING DIGITAL ACCESS

1,000

premium refurbished laptops with an estimated value of £280,000 were donated to the charity Mailforce, through a national campaign run by the Daily Mail

1,155

refurbished devices to community causes, including Barnardo's, the Big Issue, local councils and schools across the UK

21,000+

discounted devices sourced by our business to business team for the Good Things Foundation

Digital Access for All

At Dixons Carphone, we want everyone to be able to enjoy equal access to the benefits of technology.

We pride ourselves on the accessibility to technology we provide through competitive pricing, omnichannel and easy shopping, and our affordable and responsible credit offering. But because our social purpose is at the heart of what we do, we also support causes that help everyone, who might otherwise be excluded, benefit from amazing technology too.

It is reported that nearly two million children, young people and their families don't have adequate access to a suitable device and / or connectivity at home. An issue accentuated as Covid-19 saw schools and colleges close.

In February 2021 we announced a £1million donation to The Learning Foundation (registered charity number 1086306) to help progress their 'Digital Access for All' ('DAFA') initiative. To cement our commitment to tackling the digital divide, we became one of three Founding Partners of a new Digital Poverty Alliance alongside DAFA and the Institute of Engineering and Technology ('IET'). Our aim is to tackle digital poverty in UK within the next three to five years, starting with education.

We began our support by equipping 1,000 teachers and teaching assistants in the country's poorest communities with the technology and support they need to deliver high quality home-schooling to their pupils. These teachers are helping us to form a community of ideas and best practice.

Our Kotsovolos business supported Greece's National Digital Support Programme for children and young

people by providing free €200 vouchers for the purchase of a tablet, laptop, or desktop for distance learning. This was supported by special offers and a range of suitable devices.

Kotsovolos launched their 'Technology without obstacles' programme to tackle digital exclusion for people with disabilities.

Since 2008 Elkjøp have conducted a survey on digital exclusion in the Nordics to measure people's attitudes, level of knowledge and behaviour towards technology and electronic products in the home.



Tech Trouble

Find out more about Tech Trouble online at <https://elkjop-nordic.webflow.io/tech-trouble-2020#Sprakgapet>

DIGITAL ACCESS FOR ALL



With the support of Dixons Carphone and DAFA we'll be able to benefit from the most up to date technology which will put us on an even playing field with more affluent schools, and we'll be able to achieve so much more."

Jill Sweeney

Head Teacher at Aston Manor Academy, Aston, Birmingham

'TECH CONNECTED' WITH AGE UK

Age UK was chosen by colleagues in March 2020 as our corporate charity partner for a two-year period, with the aim of helping digitally excluded older people benefit from amazing technology and connecting them to those that love and need them.



We are aiming to raise £1,000,000 for Age UK's Tech Connected programme. The programme aims to help older people to build the skills to use technology to achieve their goals; as well as providing older people with access to devices, and the resources they need to make the most of them.

In November 2020, our support for Age UK during the Covid-19 pandemic was shortlisted in the Responsible Retailer category of the UK Retail Week Awards, which included sending hundreds of laptops, headsets, phones and connectivity to allow Age UK's partner charity The Silver Line to operate remotely and equip 500 vulnerable, isolated older people with new tablets, connectivity and support.



The gift of the tablet is making such a difference to my life. It is giving me independence for shopping, dealing with appointments and generally to recover some of my social life lost to Covid-19. My grateful thanks."

Anne, aged 90



Thanks to Dixons Carphone's donation of laptops, headsets, phones and connectivity, The Silver Line Helpline could enable over 90 staff to work from home and answer thousands of Helpline calls from isolated and lonely older people when they needed it the most."

Laura, Age UK

To further support our customers most in need, we also provided

174,851

customers aged 70+ with free unlimited minutes through our MVNO, iD Mobile, to help them keep in touch with friends and family.

The Elkjøp Foundation

Established in 2017 to fight digital exclusion, the Foundation works to raise awareness, increase knowledge, and enable access to people who are falling behind in the rapid development of technology.

Using technology to connect, play or learn should be easy and fun, but this is not always the case. This is why our Elkjøp Foundation in the Nordics supports organisations and associations with technology and help – as well as financial resources.

In 2020/21, the Foundation donated a total of

£156,492



Age UK Telephone Friendship

Volunteering is an impactful way to strengthen community bonds and develop colleagues' skills. In February 2021, we invested in Age UK's Telephone Friendship service to enable 100 colleagues to support lonely older people through telephone friendships.

'Pennies'

We have ambitious plans to raise money through customer donations for Age UK. Working in partnership with Pennies, an award winning fintech charity, we successfully rolled out their 'digital charity box' in all Currys PCWorld stores in October 2020.

This digital collection service offers customers in store the chance to make a 25p charitable donation when they pay by card or digital wallet.

Despite stores closures, our customers raised

£65,000

for Age UK in 2020/21

SUSTAINABLE BUSINESS OUR ENVIRONMENT

WE ARE TAKING ACTION TO REDUCE OUR ENVIRONMENTAL IMPACT

We will achieve net zero emissions by 2040 by reducing our impact on the environment not only through the energy and resources used by our operations, but also in our wider value chain.

Net zero

The climate crisis remains one of the greatest threats to our planet and we have a part in tackling it.

In July 2020, we collaborated with The British Retail Consortium and other major retailers on the development of a Climate Action Roadmap to decarbonise the retail industry and its supply chains. The plan aims to bring the retail industry and its supply chains to Net Zero by 2040, 10 years ahead of the government.

Our own specific roadmap to net zero emissions includes ambitious targets to reduce our environmental impact – and help customers reduce theirs.

Dixons Carphone commits to reduce absolute Scope 1 and Scope 2 GHG emissions by 50% by 2029/30 from a 2019/20 base year. Dixons Carphone also commits to reduce absolute Scope 3 GHG emissions from purchased goods and services and use of sold products by 50% within the same timeframe.

Our Scope 3 emissions account for over 90% of our total emissions. We will achieve reductions in these emissions through a programme of activities involving our suppliers, our manufacturers and through colleague engagement. The most material impacts are within purchased goods and services and the use of sold products.

Dixons Carphone has had its emissions reduction targets approved by the Science Based Targets initiative as consistent with levels required to meet the goals of the Paris Agreement.



Further information

For our energy and carbon data, see pages 42 and 43.

For our TCFD disclosure, see page 45.

Energy reduction

We maintained our certification of our Energy Management System ('EnMS') in 2020/21 for our UK and ROI portfolio and fleet.

While our UK focus is on reducing diesel consumption we will also set new energy efficiency targets to reduce energy consumption to further support our emissions target. In line with the British Retail Consortium's Climate Action Roadmap, we have set a target to operate 100% LED coverage in all new buildings by 2025.



Energy reduction initiatives:

- In 2020, our new Bristol Distribution Centre benefited from a further investment of £390k to fit LED lighting, which will mean over 30% of our UK retail portfolio will use LED technology as the main source of lighting.
- In October 2020, we opened our new 330,000ft² Bolton ERDC, an EPC rated A building reflecting our commitment to energy efficiency. It achieved a 'Very Good' BREEAM rating, a leading sustainability assessment method for masterplanning projects, infrastructure and buildings.



Renewable energy sources

100% of our properties on the UK Mainland and in the Nordics (where we are responsible for supply contract) are powered by renewable electricity. The renewable energy is certified by Renewable Energy Guarantees of Origin (REGOs) and independently verified.

We have four sites with Solar PV installed, with a capacity of over 2MWp. This includes Newark Distribution Centre Buildings 1 and 2 and three retail sites. These panels contribute to our commitment to the reduction of our location-based CO₂ emissions by directly sourcing electricity from a renewable energy infrastructure.

We continue to investigate practical opportunities with landlords.



Our Environmental Policy

Our policy covers material issues including energy consumption, carbon emissions, supply chain and operational waste and is available on: www.dixonscarphone.com



Electric vehicles

In line with our commitment to achieve 100% electric or alternative fuel vehicles by 2030, we are trialling the use of electric vans at four sites, including our Bolton Customer Services Centre and have 31 electric vehicle charging points across five sites.

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 trial resulted in savings of 0.46 tonnes of CO₂ and a projected annual cost saving of just under £500. We are now exploring a proposal to fit solar panels onto our new fleet for 2021/22 with the aim of further reducing our fleet CO₂ emissions through the transition away from diesel powered engines.



Member of EV100

Find out more online at:
www.theclimategroup.org/about-ev100

Our waste

We have a target for zero operational waste to landfill in the UK and Ireland by year end 2024/25 and have now met and exceeded our interim target to divert 95% of this waste from landfill by 2022.



Recyclables from our UK and Ireland stores are backhauled to our national recycling facility in Newark. From there, consistent grades of cardboard, plastic and expanded polystyrene are channelled through regional Customer Service Centre ("CSC") depots to our recycling partners, minimising transportation and ensuring the best return for our material. We have met our target to divert 95% of operational waste from landfill by 2022.

In 2020, our UK operation generated 4% less waste year on year. Of the 13,897 tonnes we collected, 99.1% was diverted for recycling, anaerobic digestion or energy recovery. This was up 10.5% on 2019 and driven by a combination of stores being closed and/or reduced services during Covid lockdowns and improved waste data resulting from the consolidation of waste management provider.

In Ireland, 152 tonnes of waste were generated by our stores and CSC during 2020, of which 29.8% was recycled and 70.2% recovered, with zero waste ending up in landfill.



Further information

Read more about how we are reducing the environmental impact of packaging on pages 34 and 37.

Enabling colleagues to reduce, reuse and recycle

All colleagues are actively encouraged to recycle, and recycling facilities are available at all sites. We are always looking for sustainable solutions for single use plastics, such as bioplastic cutlery and innovations including the replacement of polystyrene clam-shell boxes with biodegradable and compostable bagasse boxes, which is a by-product of sugar making.



SUSTAINABLE BUSINESS OUR ENVIRONMENT CONTINUED

Energy and Carbon Reporting

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. Heating requirements during the year resulted in increased natural gas and heating oil consumption, however our overall emissions reduced.

This section details the energy consumption and greenhouse gas emissions from the activities of Dixons Carphone for the period 1 May 2020 to 30 April 2021, as required by the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 ('the 2013 Regulations') and the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 ('the SECR Regulations').

An operational control approach has been used to define the Greenhouse Gas (GHG) emissions boundary. This captures emissions associated with the operation of offices, retails, warehouses, and distribution sites, plus transport; company-owned, leased and employee-owned vehicles used for business travel. This includes emissions from the UK and Offshore including the Republic of

Ireland, Greece, Sweden, Norway, Finland, Denmark. There are no material omissions from the mandatory Scope 1 and 2 emission reporting requirements.

This information was collected and reported using the methodology in Defra's updated greenhouse gas reporting guidance, Environmental Reporting Guidelines (ref. PB 13944), issued June 2019. Emissions have been calculated using the 2020 conversion factors provided by Department of Business, Energy and Industrial Strategy for emissions in the UK and Association of Issuing Bodies (AIB) for overseas electricity conversion factors.

Assurance was provided by Lucideon which has verified the data for the current reporting year 2020/21 only.

The company-wide kWh energy consumption for the reporting period 1 May 2020 – 30 April 2021, are as follows:

GLOBAL ENERGY CONSUMPTION DIXONS CARPHONE:

Energy consumption (kWh)	UK and Offshore 2020–21	Global Total 2020–21	Global Change (%)	UK and Offshore 2019–20	Global Total 2019–20
Transport (including Diesel, Petrol, LPG)	54,936,222	61,599,577	-14%	63,377,377	71,261,546
Natural Gas	27,318,959	28,500,590	29%	20,301,590	22,142,355
Heating Oil	98,860	331,876	54%	214,868	214,868
Electricity	90,122,184	192,890,720	-19%	131,070,522	236,971,131
Total	172,476,225	283,322,763	-14%	214,964,357	330,589,900
Intensity (MWh / 1,000 ft²)	14.58	13.65	-16%	18.02	16.24

The GHG emissions for our business for the reporting period 1 May 2020 – 30 April 2021, are as follows:

EMISSIONS ON LOCATION BASIS⁽¹⁾ DIXONS CARPHONE:

Category	Tonnes of CO ₂ e emitted 2020–21	Change (%)	Tonnes of CO ₂ e emitted 2019–20
Emissions from combustion of fuel ⁽³⁾ (Scope 1)	19,638	-1%	19,868
Emissions from the operation of facilities ⁽⁶⁾ (Scope 1)	1,314	50%	874
Emissions from purchase of electricity ^(4,5) (Scope 2)	36,817	-28%	51,131
Total	57,769	-20%	71,873
Intensity ratio: tCO₂e / 1,000 ft² occupied floor area⁽²⁾	2.78	-21%	3.53

EMISSIONS ON MARKET BASIS⁽¹⁾ DIXONS CARPHONE:

Category	Tonnes of CO ₂ e emitted 2020–21	Change (%)	Tonnes of CO ₂ e emitted 2019–20
Emissions from combustion of fuel ⁽³⁾ (Scope 1)	19,638	-1%	19,868
Emissions from the operation of facilities ⁽⁶⁾ (Scope 1)	1,314	50%	874
Emissions from purchase of electricity ^(4,5) (Scope 2)	14,368	-11%	16,121
Total:	35,321	-4%	36,863
Intensity ratio: tCO₂e / 1,000 ft² occupied floor area⁽²⁾	1.70	-6%	1.81

**EMISSIONS ON LOCATION BASIS
BY REGION:**

Category	Tonnes of CO ₂ e emitted 2020–21	Change (%)	Tonnes of CO ₂ e emitted 2019–20	Tonnes of CO ₂ e emitted per 1,000 ft ² of floor area 2020–21	Tonnes of CO ₂ e emitted per 1,000 ft ² of floor area 2019–20
UK and Offshore ⁽⁷⁾ (Scope 1 & 2)	39,951	-23%	51,866	3.38	4.35
Global (excluding UK and Offshore) (Scope 1 & 2)	17,817	-11%	20,006	2.11	2.37
Total:	57,769	-20%	71,873	2.78	3.53

**EMISSIONS ON MARKET BASIS
BY REGION:**

Category	Tonnes of CO ₂ e emitted 2020–21	Change (%)	Tonnes of CO ₂ e emitted 2019–20	Tonnes of CO ₂ e emitted per 1,000 ft ² of floor area 2020–21	Tonnes of CO ₂ e emitted per 1,000 ft ² of floor area 2019–20
UK and Offshore ⁽⁷⁾ (Scope 1 & 2)	20,058	-8%	21,762	1.70	1.82
Global (excluding UK and Offshore) (Scope 1 & 2)	15,263	1%	15,101	1.71	1.79
Total:	35,321	-4%	36,863	1.70	1.81

Scope 3 emissions

The following table details Dixons Carphone's Scope 3 emissions. This data has not been externally verified. This data includes indirect GHG emissions across our value chain which account for over 90% of our total emissions. The most material impacts are within purchased goods and services and the use of sold products. We will achieve reductions in these emissions through a programme of activities involving our suppliers, our manufacturers and through colleague engagement.

We have been able to use more primary data to calculate our Scope 3 emissions for 2020/21. Other notable changes include emissions from the use of sold products decreasing due to grid greening and increased home working, store closures and less business-related travel due to Covid-19 resulting in significant reductions in emissions from business travel and employee commuting.

Category	Tonnes of CO ₂ e emitted 2020–21	% change from baseline	Tonnes of CO ₂ e emitted 2019–20
Purchased goods and services	3,250,795	-24%	4,300,532
Fuel and energy-related emissions not included in Scope 1 or Scope 2	13,085	-18%	15,905
Upstream transportation and distribution	53,653	-68%	165,115
Waste generated in operations	2,588	166%	972
Business travel	415	-85%	2,754
Employee commuting	19,390	-29%	27,275
Downstream transportation and distribution	16,904	-53%	35,906
Use of sold products	23,061,342	-32%	34,001,509
End-of-life treatment of sold products	9,990	1%	9,843
Total:	26,428,162	-31%	38,559,811

(1) A location-based method reflects the average emissions intensity of grids on which energy consumption occurs and a market-based method reflects emissions from electricity that companies have selected.

(2) Overall floor area of the Dixons Carphone Plc is estimated to be 20,758,660ft².

(3) 'Emissions from combustion of fuel', includes a proportion of private cars being used for business travel, which would be classified as Scope 3, in keeping with previous years.

(4) The electricity consumption figure includes Scope 2 generation emissions but not Scope 3 transmission and distribution losses.

(5) 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. This is because this report was due before some electricity and gas bills had been provided by the suppliers. This report also includes electricity consumption through supplies where the landlord procures the energy; this has been estimated either based on the average energy consumption per floor area for site type or using last year's data estimation, all these have been treated as non-green and therefore subject to the residual factor, due to lack of evidence.

(6) Refrigerant data processing methodology and exclusions: Where refrigerant top-ups are reported, we assume this covers leakage across the estate under that contractor's responsibility to repair the leak and top-up the refrigerant, as such no estimation of leakage has been completed for units where no top-ups were carried out.

(7) The 2019/20 data has been recalculated and stated in this report, due to the determination that the main supply contract for the Nordic Region included green energy. The data for electricity for 2019/20 has therefore not been verified.

SUSTAINABLE BUSINESS OUR SHAREHOLDERS

WE MAKE IT EASY TO UNDERSTAND OUR PROGRESS

Dixons Carphone is committed to operating a responsible and ethical business by understanding stakeholder expectations and best practice and making sure this is reflected in our business decisions.

Our progress

In June 2020, our progress in developing and reporting our performance was recognised with our repeated inclusion in the FTSE4Good UK Index.

We continue to respond to the Carbon Disclosure Project ('CDP') questionnaire on Climate Change, demonstrating our continued commitment to identifying, assessing and managing climate-related risks and opportunities across the Group. In 2020, we maintained our 'B' score and are using the results of a gap analysis to aid continuous improvement.

We also scored in the top decile, achieving a '1' score, for ISS ESG Environment in April 2021.



Governance and risk

Our Sustainability and Social Impact strategy is signed off by our Group Chief Executive and approved by the Environmental, Social and Governance ('ESG') Committee.

It is driven and delivered by our colleagues – subject matter experts that are fully integrated across our business. Their work is coordinated by the Director of Group Sustainability and overseen by the ESG Committee which reports into the Executive Committee and comprises representatives from all levels across the 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 Register (see further details on page 51) 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').

As we progress on our transformation, the ESG related targets on our annual bonus scorecard will be enhanced by two new environment targets from 2021/22, with the aim of growing a customer base that is confident we are on their side – and on the side of society, inspiring more super engaged colleagues, and building a business investors feel good about investing in.



Further information

Read more about our principal risks on page 46.

Read our Tax Strategy online at www.dixonscarphone.com

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

We support the Task Force on Climate-related Financial Disclosures ('TCFD') and its recommendations. We are committed to assessing the impacts of climate risks and opportunities across our operations and supply chains.

This is our first year of disclosure against the framework and we plan to further enhance our approach and reporting in advance of legal requirements.

Governance

We have created a clear communication line to the Board; the ESG Committee reports to the Executive Committee then Dixons Carphone Board. Further, the Risk Committee reports up to the Main Operating Subsidiaries and then the Dixons Carphone Board.

The ESG Committee, chaired by General Counsel and Company Secretary Nigel Paterson, reviews climate change related issues in their meetings and submit progress to the Risk Committee, Executive Committee and Board.

We have assigned management level responsibility for different climate-related issues in the business and climate-related risks and opportunities are incorporated into the ESG Risk Register.

Strategy

Our purpose, to help everyone enjoy amazing technology, goes beyond ensuring customers can choose, afford and enjoy the right technology. Addressing our climate risks and opportunities is a part of our Sustainability and Social Impact strategy.

We have responded to the CDP questionnaire on climate change since 2016 and as part of this report identified climate-related risks and opportunities. We have undertaken workshops to identify short, medium and long term physical and transitional climate-related risks which have been reflected in our ESG Risk Register. Our ESG Risk Register is monitored by our ESG Committee.

We continue to invest in measures to mitigate our climate change impact, and as part of this we have set new emissions targets. We recognise the importance of collaborative action; we have committed our support to EV100 and the British Retail Consortium Climate Action Roadmap.



Risk management

Group risk assessment criteria have been determined and the net and gross risk profile. Priority risks have been agreed by the ESG Committee and Board and this year a new principal risk relating to Sustainability was added to the Principal Risk Register.

We have an ESG Risk Register which incorporates short, medium and long term physical and transitional climate-related risks identified this year.

We will continue to monitor changes to risk (increase, decrease or no change), assess climate change as a principal risk within the business and assess risk annually in the Annual Report.

Metrics and Targets

We are committed to delivering net zero emissions by 2040.

Dixons Carphone has had its emissions reduction targets approved by the Science Based Targets initiative ('SBTi') as consistent with levels required to meet the goals of the Paris Agreement.

The targets covering greenhouse gas emissions from Dixons Carphone's operations (Scopes 1 and 2) are consistent with reductions required to keep warming

to 1.5°C, the most ambitious goal of the Paris Agreement. Dixons Carphone's target for the emissions from its value chain (Scope 3) meet the SBTi's criteria for ambitious value chain goals, meaning they are in line with current best practice.

We report on intensity metrics, MWh/1000sqft for energy and MPG for fleet vehicles and have set a target for zero waste to landfill for commercial waste in UK and Ireland.

Looking ahead

We plan to undertake climate scenario analysis modelling for the priority risks in low and high carbon scenarios and assess business resilience under different scenarios. We will also quantify exposure to each risk event and incorporate this into our business strategy.

We will engage and drive action through our supply chain as well as review our net zero emissions roadmap, including the sequestration of CO₂.

