



Basis of Reporting

Sustainable Business Data
Annual Reporting 2020/21

1. Energy and Carbon Reporting

Description

We report on our greenhouse gas (GHG) emissions at Group level for scope 1 and scope 2; and scope 3. We report market-based and location-based emissions. Our energy consumption and greenhouse gas emissions relate to the activities of Dixons Carphone for the given reporting period, 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').

Our roadmap to Net Zero includes our most recent commitment to reduce absolute Scope 1 and Scope 2 GHG emissions by 50% by 2029/30 from a 2019/20 base year. We also commit to reduce absolute Scope 3 GHG emissions from purchased goods and services and use of sold products by 50% within the same timeframe.

Business Area

Reporting includes emissions from the UK and Offshore including the Republic of Ireland, Greece, Sweden, Norway, Finland, Denmark.

General methodology and emission factors

An operational control approach has been used to define the GHG emissions boundary. Information relating to our energy and emissions was collected and reported using the methodology set out in Defra's updated greenhouse gas reporting guidance, Environmental Reporting Guidelines (ref. PB 13944), issued in June 2019. Emissions and energy consumption have been calculated using the 2020 conversion factors provided by Department of Business, Energy and Industrial Strategy (BEIS) for emissions in the UK and the 2019 Association of Issuing Bodies (AIB) for overseas electricity conversion factors. Our reporting period is 1 May – 30 April in line with our financial year.

Verification

Assurance was provided by Lucideon to verify data for the current reporting year 2020/21 only as required by the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. Prior years have been assured as part of our previous submission to CDP and under the Streamlined Energy and Carbon Reporting (SECR) requirements. Verification is carried out according to ISO 14064-3. Fuel and electricity consumption data is collated and sent to Inenco for bill validation which includes numerous checks for accuracy and completeness.

Reporting frequency

Data is gathered monthly, quarterly or annually internally depending on the type of the data and reported publicly on an annual basis via our Annual Report.

Calculation methodology: Energy consumption and intensity ratios

Description	Methodology	Scope/Exclusions	Unit of reporting
Total energy consumption	<p>For electricity, gas and oil consumption data is calculated through a combination of billing. Estimates are used, based on reference sites, where no data is available for the site. District heating for Finland and Sweden reported under electricity.</p> <p>For transport energy consumption, data is calculated through a combination fuel type, litres used and vehicle type. Conversion to kWh has been calculated using the 2020 conversion factors provided by Department of Business, Energy and Industrial Strategy, irrespective of country.</p>	<p>Energy associated with all shops, offices, operated distribution centres, owned and operated fleet and employee own vehicles used for business has been included.</p> <p>Historically electricity consumption for two small offices in Brno and Hong Kong are not included. These two offices' electricity consumption is estimated to be less than 0.4% of our total Scope 2 (location-based) emissions and therefore are considered immaterial. Primary data will continue to be pursued for future reports, with estimation used to cover any intervening period.</p>	kWh
Intensity ratio (energy consumption)	Total energy consumption (converted to MWh) divided by total floor area (per 1000 ft ²)	Includes emissions resulting from all owned and operated parts of the business.	MWh/1,000 ft ²
Intensity ratio (GHG emissions)	Total absolute GHG emissions (both location and market based) divided by total floor area (per 1000 ft ²)	Includes emissions resulting from all owned and operated parts of the business.	tCO ₂ e/1,000 ft ²

Calculation methodology: Scopes 1 and 2

Unit of reporting - Tonnes CO₂e

Description	Methodology	Scope/Exclusions
Absolute Location-Based GHG emissions	<p>GHG emissions based on our scope 1 and scope 2 data sources (listed below) using a location-based method which reflects the average emissions intensity of grids on which energy consumption occurs.</p> <p>Conversion for this data has been calculated using the BEIS 2020 emissions factors the UK and Association of Issuing Bodies (AIB) for overseas electricity conversion factors.</p>	Includes emissions resulting from all owned and operated parts of the business.

<p>Absolute Market-Based GHG emissions</p>	<p>GHG emissions based on our scope 1 and scope 2 data sources (listed below) using a market-based method which reflects emissions from electricity that companies have selected.</p> <p>Where our electricity suppliers have provided auditable Renewable Energy Guarantees of Origin (REGO) certificates showing our purchases are 100% renewable we have applied a zero emissions factor, in line with the latest GHG scope 2 guidance.</p> <p>Where we have not received this assurance, the AIB residual mix emissions factors for the relevant country have been used to calculate our emissions.</p>	<p>Includes emissions resulting from all owned and operated parts of the business.</p>
<p>Scope 1- Emissions from combustion of fuel</p>	<p>Fuel consumption calculated based on actual usage: Diesel and petrol - based on litres used via fuel card data Gas - based on meter readings. Where estimations are required, this is done based on floor area and average site consumption per unit floor area Oil - based on delivery invoices LPG - based on delivery invoices</p>	<p>Includes emissions resulting from all owned and operated parts of the business. Emission sources: - Company owned vehicles: commercial fleet and company cars (includes a proportion of private cars being used for business travel, which would be classified as Scope 3, due to limitations of current data) - Onsite combustion for heating - Forklifts</p>
<p>Scope 1 - Emissions from the operation of facilities</p>	<p>All refrigerant gases based on net total of top-ups and recovered refrigerants made by maintenance teams. No estimates made.</p>	<p>Includes emissions resulting from all owned and operated parts of the business. Refrigerants are used at sites with air conditioning, with top-up and recovered totals recorded through maintenance team reports.</p>
<p>Scope 2 - Emissions from purchase of electricity and district energy</p>	<p>Electricity usage is based on supplier billing, typically reported monthly but does vary by site and country. Where estimation may be required, this is done based on average of previous months data or floor area and average site consumption per unit floor area depending on the nature of the missing data.</p> <p>Where our electricity suppliers have provided auditable Renewable Energy Guarantees of Origin (REGO) certificates showing our purchases are 100% renewable. The latest GHG scope 2 guidance allows us to apply a zero emissions factor to their supply. Where we have not received this assurance, the AIB residual mix emissions factors for the relevant country have been used to calculate our emissions.</p>	<p>Includes emissions resulting from all owned and operated parts of the business. Includes locations in Finland and Sweden where electricity is generated from CHP.</p>

	For electricity from district energy systems, emission conversion factors have been sourced from suppliers and or supplier websites, where no data was available for the conversion then an average has been taken from suppliers with data.	
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Calculation methodology: Scope 3

Unit of reporting - Tonnes CO₂e

Scope 3 Category	Methodology	Scope/Exclusions
1 - Emissions from Purchased goods and services	Emissions from the Goods for Resale and Goods Not for Resale purchased by Dixons Carphone have been calculated. Where available, supplier-specific emissions information was used. Emissions were normalised using supplier revenue and Dixon Carphone's specific spend. Where supplier-specific data was not available then spend-based emission factors using CEDA database were applied. In situations where CEDA factors were not available average intensity kgCO ₂ e/£ were used.	Supplier spend screened to exclude data relating to other emissions categories (e.g. electricity spend - scope 2 and distribution/transport spend - scope 3). Data relating to category 4 and 9 are reported separately (see below). Data relating to capital goods is included (see below).
2 - Capital Goods	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.	
3 - Fuel and energy-related emissions	The upstream Well-To-Tank (WTT) emissions for all fuels used to calculate Dixons Carphone'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. Fuel, electricity and district heating consumption data is converted using the UK Government GHG Conversion Factors for company reporting (2020) and the IEA (2020) emission factors.	Electricity and gas usage is based on supplier bills. Manual gap filling is conducted for a small proportion of sites where full year data is missing. Data is estimated either by year to date average or average consumption per floor area by site type using reference sites. This includes electricity consumption through supplies where the landlord procures the energy.

4 - Emissions from Upstream transport and distribution	<p>The UK Government GHG Conversion Factors for company reporting are used to calculate emissions from fuel consumption and distance travelled.</p> <p>A spend-based emission factor (CEDA, 2020) are applied to the warehousing spend for the UK&I.</p> <p>The emissions are calculated on a Well-To-Wheel (WTW) basis, which includes both Well-To-Tank (WTT) and Use Phase (Tank-To-Wheel) emissions.</p>	<p>Includes third party transportation and distribution activities at Dixons Carphone's main distribution centres and retail stores, in vehicles and containers ships. This includes emissions from:</p> <ul style="list-style-type: none"> i) shipping activities to ports of entry, ii) transportation from port of entry to hubs, iii) combined deliveries into distribution hubs, retail branches and home delivery depots iv) warehousing services in the UK&I.
5 - Emissions from Waste generated in operations	<p>Waste generated from Dixons Carphone's operations are calculated based on waste data from all countries of the company's operations (tonnage), including their respective waste disposal methods used. The waste tonnage is then multiplied by the appropriate UK Government GHG Conversion Factors for company reporting to calculate emissions.</p>	<p>Includes operational waste and waste collected from customers (packaging and e-waste) sent for recycling, reuse, anaerobic digestion, energy recovery or landfill.</p> <p>Currently excluded is waste generate from shop fitouts and closures where waste is taken away by the appointed 3rd party contractor. We are working to capture this volume and disposal destination information for future reporting but it is expected to be immaterial in size.</p>
6 - Emissions from Business travel	<p>Emission factors from the UK Government GHG Conversion Factors for company reporting are applied to the distance travelled or the fuel consumption reported (by transport type), in order to calculate the total emissions.</p>	<p>Dixons Carphone business travel emissions calculation covers:</p> <ul style="list-style-type: none"> - Private vehicles used for business purposes - Hired vehicles - Air and rail travel
7 - Emissions from Employee commuting	<p>A commuting model, developed by EcoAct, is used to calculate the commuting emissions. The model uses expected commuting times and regional transport activity data to estimate the total distance travelled by public and private transport for Dixons Carphone's employees in all countries of the company's operations.</p> <p>A working from home model, developed by EcoAct, is used to calculate the working from home emissions as a result of increased home working. The model uses the expected electricity and natural gas consumption during office hours in an employee's house to estimate working from home emissions, for the number of employees not working from the company's premises, for Dixons Carphone's employees in all countries of the company's operations.</p> <p>UK Government GHG Conversion Factors for company reporting and International Energy</p>	<p>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 included in this category the emissions arising from the energy consumed in employees' homes for business purposes. The home amount of working varied by country. Assumptions have been made on the percentage of home working where specific data is not available.</p>

	Agency emissions factors were used to calculate emissions.	
8 - Emissions from Upstream leased assets	This category is determined negligible by Dixons Carphone	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.
9 - Downstream transport and distribution	<p>Within our UK&I and Greek operation we use a number of delivery companies that we outsource our customer delivery to for smaller items. In our Nordic operation, all product deliveries are outsourced to third parties.</p> <p>Where supplied, supplier specific data is used to calculate kgCO₂e per parcel. Where this is not available total distance travelled for the delivery is estimated. Emission factors from the UK Government GHG Conversion Factors for company are applied to calculate total emissions, using the total distance travelled.</p> <p>The emissions are calculated on a Well-To-Wheel (WTW) basis, which includes both Well-To-Tank (WTT) and Use Phase (Tank-To-Wheel) emissions.</p>	<p>Third party delivery and courier companies where Dixons Carphone does not own the vehicles used in transportation.</p> <p>No primary data was available for the Nordics. The average intensity of downstream emissions per total spend on Goods For Resale (£) for the UK&I and Greece was calculated and then used to estimate downstream emissions in the Nordics, based on the Goods For Resale spend in the Nordics. We are working to capture primary data for the Nordics for future reporting.</p>
10 - Emissions from Processing of sold products	This category is determined negligible by Dixons Carphone	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 emissions are measured and reported as scope 1 & 2 emissions.
11 - Emissions from Use of Sold Products	Products are grouped in subcategories, categories and families. The power rating and lifetime of products within each subcategory is mapped, using publicly available estimations. When a range is given for the power rating, the maximum of the range is taken into account. Usage per day (in hours) are assumed for each subcategory mapped. Averages are calculated by subcategory, by category and by family to provide a layered approach to the calculations. UK Government GHG Conversion Factors for company reporting and International Energy Agency, Emissions factors are used to calculate final emissions.	<p>Products or services with no use phase removed from calculations.</p> <p>Direct use-phase emissions are reported in this category. Indirect use phase emissions are not assessed.</p> <p>Well-to-Tank and Transmission & Distribution emissions are also calculated.</p> <p>The electricity emissions factors of Denmark, Norway, Sweden and Finland were averaged and applied to Nordic sales dataset as currently it is not split by region.</p>

12 - Emissions from End-of-life treatment of sold Products	Products are grouped in subcategories, categories and families. Products with no end of life emissions are excluded from the calculation. For products with direct use phase emissions the assessment was done at a family level: a weight is allocated to each family, based on the average weight of typical products within the family. For the products with no direct use phase emissions, the assessment of their weight is done at a category level. Once an average weight per product is mapped for each family/category, this is then multiplied with the number of units within this family/category. The latest country-wide disposal route ratios per country are used to estimate the tonnage disposed per method and emission factors from the UK Government GHG Conversion Factors for company reporting are applied to calculate total emissions.	The disposal route ratios in Denmark, Norway, Sweden and Finland were averaged and applied to Nordic sales dataset as currently it is not split by region.
13 - Emissions from Downstream leased assets	This category is determined negligible by Dixons Carphone	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.
14 - Emissions from Franchises	This category is determined negligible by Dixons Carphone	Dixons Carphone reports using an operational control boundary, which excludes franchises.
15 - Emissions from Investments	This category is determined negligible by Dixons Carphone	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.

2. Waste, Recycling and Reuse

Description

We recognise the pressing need to improve our use of resources and create circular business models. We are taking action to reduce our environmental impact and to extend the life of technology through repair, recycling and reuse.

We have a target for zero operational waste to landfill in the UK and Ireland by year end 2024/25 and an interim target to divert 95% of this waste from landfill by 2022. This target relates to our operational waste and packaging collected from customers; it does not include e-waste volumes.

We are the largest retailer e-waste recycler in the UK and one of the biggest across Europe. E-waste is collected from our customers either via stores or home delivery, where it is sent onwards to approved recycling partners for reuse or recycling.

Business Area

Operational waste data covers all UK and Republic of Ireland stores, warehouses and offices where we have operational control over the waste management provider at that site.

E-waste data covers all our operations across the UK, Republic of Ireland, Sweden, Norway, Finland, Denmark and Greece.

Methodology

Metric	Methodology	Unit of reporting
Landfill diversion	<p>General waste, dry mixed recycling, organic waste and other ad hoc waste request tonnage data is provided monthly by our service provider. This data is generated by our service provider from actual weights or estimated weight based on similar contactor type and waste type. The tonnage diverted from landfill is provided by our service provider based on the diversion rate of the waste transfer depot our waste goes back to and by analysis of our specific waste composition. In the Republic of Ireland, our service provider for General waste and dry mixed recycling provides tonnage data collected from each site with volume sent for recycling or recovery (energy from waste).</p> <p>For single stream materials which we bale or bulk on-site (cardboard, plastics, EPS, wood and metal), tonnage data is provided weekly by our service provider. This data is generated from weights obtained from weighbridge tickets for containers that are emptied on exchange or artic trailers collecting baled material. Tonnage diverted data is provided from the recycling partners this service provider has contracted with for each waste stream. The sum of these data sets are then used to calculate a total diversion from landfill tonnage and percentage.</p>	%
E-waste recycled and reused	<p>E-waste data is provided from our service provider for each country. Tonnage is based on weighbridge tickets for loads delivered into an e-waste recycler. In the UK, where we deliver in mixed loads of small e-waste the Environment Agency approved small mixed WEEE protocol is applied (https://www.gov.uk/government/publications/weee-evidence-and-national-protocols-guidance/waste-electrical-and-electronic-equipment-weee-evidence-and-national-protocols-guidance#smw-protocol) by our recycling partners. Reuse volume is based on the of units selected for reuse and an average unit weight, based on appliance type.</p>	Tonnes

<p>% of e-waste collected by UK retailers</p>	<p>Our total e-waste volume collected and recycled each calendar year, provided by our e-waste management provider is used to compare against the total e-waste volume reported by Defra (https://www.gov.uk/government/statistical-data-sets/waste-electrical-and-electronic-equipment-weee-in-the-uk) under Regulation 43 (WEEE returned by distributors). This then allows us to calculate a percentage share of total collections by retailers/distributors.</p>	<p>%</p>
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Exclusions

Waste removed by 3rd party contractors as part of shop strip outs or refits is currently not included. We will be looking to capture to end disposal route data for these waste streams over the coming reporting years. Stores and offices which have waste management provided through their landlord or property management provider are not included due to poor visibility of waste data relating specifically to our operations. This does not include e-waste data as this is all backhauled centrally and managed by us regardless of store.

We are working to collate data for the Nordics and Greece for future reporting.

Reporting frequency

Data is gathered weekly or monthly internally depending on the type of the data and reported publicly on an annual basis via our Annual Report.