

FACT SHEET | OUR CARBON FOOTPRINT

SPAR has participated in the CDP since 2009. Our South African carbon footprint is calculated according to the International Greenhouse Gas Protocol's Corporate Accounting and Reporting Standard, and the data provided pertains to 1 October 2017 to 30 September 2018. Scope 1 and 2 emissions were independently verified.

SCOPE AND MEASUREMENT

The scope of the submission comprises the central office and the seven distribution centres with their associated distribution fleets. SPAR is committed to reducing our carbon emissions, specifically around scope 1 (mobile combustion, stationary combustion and fugitive emissions) and scope 2 (electricity).

To meaningfully reduce greenhouse gas, we are in the process of setting science-based targets. This is a joint initiative between the CDP, the United Nations Global Compact, the World Resources Initiative and the World Wide Fund, and aligns with the level of decarbonisation required to keep global temperature increases below 2°C.

We selected an appropriate science-based target methodology and a sectoral decarbonisation approach separating SPAR's business into three sector categories:

- Warehouse
- Distribution
- Retail

INTRODUCING OUR CARBON REDUCTION FRAMEWORK

Based on the science-based target research, we developed a carbon reduction framework approved at the end of 2017. The framework outlines the optimal pathways to achieving sustainable minimisation of SPAR's carbon footprint in South Africa. It further provides a framework for meeting science-based targets and considers parallel imperatives impacting greenhouse gas management going forward:

- Carbon tax liability
- Energy and greenhouse gas reporting regulations
- Energy management systems integration

A baseline was measured in 2016 and action plans were set for 2017 to 2025, and key actions for 2025 to 2035 followed by 2035 to 2050. We have undergone a reassessment of our science-based targets to align ourselves with the Intergovernmental Panel on Climate Change's (IPCC) research to keep global temperature increases below 1.5°C. We have set a new baseline in 2018 with action plans set for 2020 – 2033 and further key actions for 2033 – 2050 with the aim to be carbon neutral by 2050. We mapped projects with potential savings to prioritise key actions. Based on the framework, we designed an internal carbon pricing methodology aimed at the following outcomes:

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

OUR PERFORMANCE IN 2018/2019

During the 2018/2019 financial year, reported in the CDP data submitted in 2019, SPAR's activities emitted 81 762 tonnes of carbon dioxide equivalent (CO₂e) for scope 1 and scope 2 emissions (2016/2017: 81 577 tonnes). This increase was due to further business growth as well as frequent and prolonged powered outages leading to increased fuel usage. Reductions in scope 2 emissions were due to the installation of energy efficient technologies such as photovoltaic panels and efficient cooling systems.

Electricity consumption contributes towards our scope 1 and 2 emissions. We consumed 44 554 MWh of electricity for the stated period compared to 47 894 MWh in the previous period. The reduction resulted from our heating, ventilation, air conditioning, refrigeration and machine replacement programme, which reduced consumption at our distribution centres and warehouses by introducing newer and more energy-efficient technologies. Solar panel installations at the South Rand distribution centre in October 2017 also had a significant impact. Municipal electricity consumption at South Rand decreased from 8 512 MWh in the 2016/2017 financial year to 7 542 MWh in the 2017/2018 financial year.

Plans are in place for solar panels to be rolled out to distribution centres by 2021.

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

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

Scope per greenhouse gas protocol	2015	2016	2017	2018	2019
Total footprint scope 1 and 2 (CO ₂ e)	78 758	77 882	82 984	81 577	81 763
Scope 1 direct greenhouse gas emissions from vehicles, warehousing, cooling and air conditioning facilities (CO ₂ e)	37 644	37 210	39 010	36 557	39 882
Scope 2 indirect greenhouse gas emissions from electricity consumed (CO ₂ e)	41 114	40 800	43 974	45 020	41 881