OUR CARBON FOOTPRINT

SPAR has participated in the CDP since 2009. Our South African carbon footprint is calculated according to the International Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standard, and the data provided pertains to 1 October 2020 to 30 September 2021. Scope 1 and 2 emissions were independently verified.

SCOPE AND MEASUREMENT

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

SPAR is committed to achieving carbon net zero by 2050. The initial results of our climate scenario analysis show that it is critical that we achieve net zero under a 1.5°C pathway. We therefore began the process of recalculating our science-based targets (SBTs) under a 1.5°C scenario.

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

INTRODUCING OUR CARBON REDUCTION FRAMEWORK

Our carbon reduction framework serves as a roadmap for reducing emissions and meeting emissions reduction targets, and therefore reducing current and future carbon tax liability. SPAR is in the process of updating its SBTs to be in line with the updated global target of 1.5°C.

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

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

OUR PERFORMANCE IN 2021

Our 2021 performance reports on data collected for the period from 1 October 2020 to 30 September 2021. During this period, SPAR's activities emitted 79 556 tonnes of carbon dioxide equivalent (CO_2e) for Scope 1 and 2 emissions (2020: 80 478 tonnes), a decrease of 1.1% attributable to a decrease in Scope 2 emissions, due to the transition of all our distribution centres (excluding Build it) to renewable energy.

Electricity consumption contributes towards our Scope 1 and 2 emissions. We consumed 34 982 099 MWh of electricity for the stated period compared to 38 288 124 MWh in the previous period. Electricity consumption (kWh) decreased by 8.6% in 2021. This was due to installation of solar PV facilities across the distribution centres (excluding Build it) and retrofitting of LED light fittings across the distribution centres.

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

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

Scope per GHG protocol	2016	2017	2018	2019	2020	2021
Total footprint Scope 1 and 2 (CO_2e)	78 010	82 984	81 763	82 896	80 478	**79 556**
Scope 1 direct GHG emissions from vehicles, warehousing, cooling and air conditioning facilities (CO_2e)	37 210	39 010	39 882	38 175	41 424	**42 475**
Scope 2 indirect GHG emissions from electricity consumed (CO_2e)	40 800	43 974	41 881	44 721	39 054	**37 081**