EG Group

Environment, Social and Governance (ESG) Report

2021

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INTRODUCTION FROM CHAIRMAN

EG GROUP'S INAUGURAL ESG REPORT, WHICH SETS OUT OUR SUSTAINABILITY PERFORMANCE AND LONGER-TERM STRATEGY AND COMMITMENTS, IS AN IMPORTANT MOMENT FOR THE BUSINESS.

Lord Stuart Rose

Today, the world faces numerous challenges, from the climate crisis and resource scarcity, to societal inequalities and unpredictable headwinds faced by global economies. Against this backdrop, it is incumbent upon us, as a leading convenience retailer which employs over 58,000 colleagues across more than 6,300 sites globally, to act responsibly and ethically.

EVOLVING EG'S ESG JOURNEY

As EG continues to grow, we also continue to evolve our corporate structures and processes, including around the ESG agenda. In 2021, the Group hired its first-ever Group Head of ESG and Sustainability to shape our approach, drive progress, and implement activity across the business.

EG established an ESG Working Group, comprising representatives from across the business, focusing on issues from food waste to colleague engagement and community activity. Earlier this year, the business also undertook its first comprehensive ESG materiality assessment, to define our key priorities, based on an understanding of stakeholder perspectives, including our shareholders, investors, colleagues, customers and our business partners. These are positive steps on EG's journey towards best practice.

In our first ESG Report, we baseline our current performance – be it positive or otherwise – on issues that are relevant to the food and fuel retail sector. But importantly, we have articulated our strategy to improve. Our ESG strategy and targets encompass three pillars: planet, colleagues and communities, and will ensure that the business focuses on those activities where it can have the most significant impact. Progress against our ESG targets will be measured and reported annually.

COMMITTED TO DRIVE PROGRESS

We recognise that the world needs to limit global warming. To that end, we have set a target to reduce our operational carbon footprint by at least 50% by 2030 (versus 2021) and reach net zero by 2050. And as the transport sector starts to transition towards lower-carbon sources of energy, EG continues to extend its offering of electric vehicle chargers and lower-carbon fuels, as we look to contribute to a more sustainable future by scaling up products and solutions on lower-carbon mobility.

Tackling complex, global challenges – from climate change and sustainable food sourcing to diversity and inclusion – requires collaboration, and EG continues to engage with major suppliers and brand partners on the wider ESG agenda. More broadly, the pace of action on issues such as decarbonisation will also partly depend on government regulation, industry innovation and technology.

In light of the global cost-of-living crisis and volatile macroeconomic environment, this year has continued to pose challenges for businesses and put pressure on communities and households across all our markets.

We have made a number of enhancements to pay, benefits and colleague wellbeing programmes, a testimony to the business's commitment to creating an inclusive culture where colleagues feel supported and recognised for their contribution to EG's success. Our first-ever colleague engagement survey in 2021 provided us with deeper insight into colleagues' experiences and we are committed to acting on those issues that matter to our colleagues, including reward and wellbeing.

The progress we have made to date is an indication not only of the Group's resilience in testing times, but also its commitment to sustainability over the long term. These are exciting times for EG and I would like to thank all colleagues for their continued efforts towards achieving our ESG targets and for making this a business of which we can all be proud.

Lord Stuart Rose
Chairman

INTRODUCTION FROM CO-CHIEF EXECUTIVE OFFICERS

BEING A RESPONSIBLE, SUSTAINABLE BUSINESS HAS NEVER BEEN MORE IMPORTANT THAN IT IS TODAY, AND WE ARE AWARE THAT WE HAVE A RESPONSIBILITY TO DO THE RIGHT THING FOR OUR STAKEHOLDERS.

Zuber Issa CBE

Mohsin Issa CBE

With more than 58,000 colleagues and over 6,300 sites across ten markets, EG has the potential to deliver a positive impact through our operations, our workforce, and our physical presence at the heart of local communities.

COMMITTED TO NET ZERO IN OUR OWN OPERATIONS

As a business, we have been on a journey of growth – from a single site in the north-west of England to over 6,300 sites globally today. In parallel, we are progressing on our sustainability journey too. In our first ESG Report, we have detailed our current performance and future plans to improve, across a range of areas, including waste, diversity and inclusion, colleague training and development, as well as our contribution to local communities.

Our achievements will be measured against the targets we have set, but also on an incremental basis by the changes and innovation that our talented and committed colleagues continuously deliver across our business.

Given the nature of our business, climate change is a key focus of our ESG agenda. We are committed to reach net zero in our own operations by 2050. To achieve this, we will reduce our operational carbon footprint by at least 50% by 2030 (vs 2021) and we will develop a roadmap in 2022/23 to set out how we plan to achieve our target. We already have solar panels across 300 of our sites, and are looking at ways to accelerate our adoption of renewable energy.

As the world and our customers' needs evolve, we recognise the need to develop and invest in low-carbon mobility technology and solutions. We are exploring and investing in a range of alternatives to traditional transport fuels. In 2021 we invested $3 million in ultra-fast electric vehicle (EV) chargers, and we now have 250 EV charging points across our forecourt network. In August 2022, we launched 'EV Point', our proprietary branded ultra-fast EV charging proposition, which is currently being trialled across the UK. We believe we are well placed to deliver the infrastructure to enable lower-carbon mobility for our customers.

OUR COLLEAGUES AND COMMUNITIES REMAIN A FOCUS OF OUR ESG APPROACH

Our colleagues are key to our success, and we firmly believe that everyone should have the opportunity to develop and progress at EG, regardless of their background.

Now, more than ever, we understand that our colleagues' welfare is paramount. We have enhanced pay and benefits over the past year and have introduced a number of initiatives focusing on welfare, including a wellbeing app in the USA, and mental health first aiders in the UK. We are also a founding member of Diversity in Retail, and are committed to implementing a Diversity and Inclusion Plan in each of our operating markets by 2024.

Supporting communities and charities has always been part of how we do business. Through the efforts of our colleagues and customers, EG raised $1 million for charity in 2021, contributing to eleven different charitable organisations, including the American Cancer Society in the USA, Alder Hey Children's Charity in the UK, and Swim to Fight Cancer in Continental Europe. Taking our efforts further, we are starting to roll out our volunteering policy, to allow colleagues to take two days a year to volunteer for good causes.

LOOKING AHEAD

We continue to make good progress towards our ESG commitments, guided by our values in building a sustainable business model, supporting local communities and empowering individuals to grow, contribute and succeed.

Going forward, we will continue to invest in the necessary infrastructure, processes and training to achieve the commitments we have made on ESG. We look forward to keeping stakeholders updated on our ESG journey.

Zuber Issa CBE & Mohsin Issa CBE
Co-Founders and Co-Chief Executive Officers

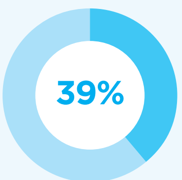
ABOUT EG GROUP

EG GROUP IS ONE OF THE WORLD'S LEADING INDEPENDENT CONVENIENCE RETAILERS, WITH AN EXTENSIVE NETWORK OF SITES ACROSS INTERNATIONAL MARKETS IN THE UNITED KINGDOM & IRELAND, CONTINENTAL EUROPE, AUSTRALIA AND THE UNITED STATES OF AMERICA.

Founded in 2001 by the Issa family with the acquisition of a single site in the UK, today the Company is at the forefront of delivering an innovative approach to convenience retail.

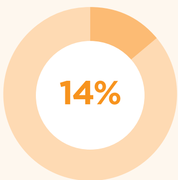
Our transformational business model has been built upon excellent relationships with an extensive portfolio of leading retail brands, and through strategic network acquisitions supported by a programme of new-to-industry developments.

GROCERY & MERCHANDISE



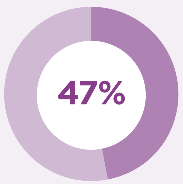
OF GROUP GROSS PROFIT

FOODSERVICE



OF GROUP GROSS PROFIT

FUEL



OF GROUP GROSS PROFIT

58,493
colleagues[1]

6,322
sites[2]

OUR VALUES

- AWARENESS AND COMMERCIAL RESPONSIVENESS TO CONSUMER TRENDS AND DEMANDS
- SUPPORT LOCAL COMMUNITIES WITH A VIEW TO EMPOWERING INDIVIDUALS TO GROW, CONTRIBUTE AND SUCCEED
- COMMITTED TO INFRASTRUCTURE, PEOPLE AND SYSTEM INVESTMENT TO BUILD A SUSTAINABLE BUSINESS MODEL
- DELIVERING VALUE AND RESULTS CONSISTENTLY TO STAKEHOLDERS

(1) As at end of 2021
(2) Site numbers are stated as at the end of 2021 and exclude any acquisitions that have completed or have been announced after December 31, 2021

OUR PURPOSE

To deliver a modern and compelling retail experience that allows customers to achieve multiple missions in one convenient location.

We are a leading global independent convenience retailer with a diversified portfolio of over 6,300 sites across three continents.

We pride ourselves as a responsible operator with a commitment to delivering world-class convenience retail whilst improving the lives of others and delivering a positive impact on society.

MATERIAL ESG ISSUES

As a retailer with global operations and supply chains, our impacts are extensive and varied. We focus on the issues that matter most to our business and our stakeholders, and on the issues where we have greatest influence.

In early 2022, we conducted our first comprehensive ESG materiality assessment, to identify and define our ESG priorities. This was based on an assessment of stakeholder expectations, peer benchmarking and horizon scanning. Listening to our stakeholders and defining our most material ESG issues means we can prioritise resources and time to activities where we can have the greatest impact.

To identify our most material ESG issues, we reviewed different areas of our business, including our products and supply chain; our own operations; our people and communities; and our governance.

With the support of consultants at PwC, our ESG materiality assessment involved a review of:

- Our current ESG activity
- Emerging ESG trends, best practice, risks and opportunities in our sector
- Legislation and the regulatory landscape
- External standards and frameworks
- Peer benchmarking
- Stakeholder perspectives, including our colleagues, investors, customers and brand partners

Our ESG strategy and targets on page 7 are informed by our materiality assessment.

MATERIALITY ASSESSMENT

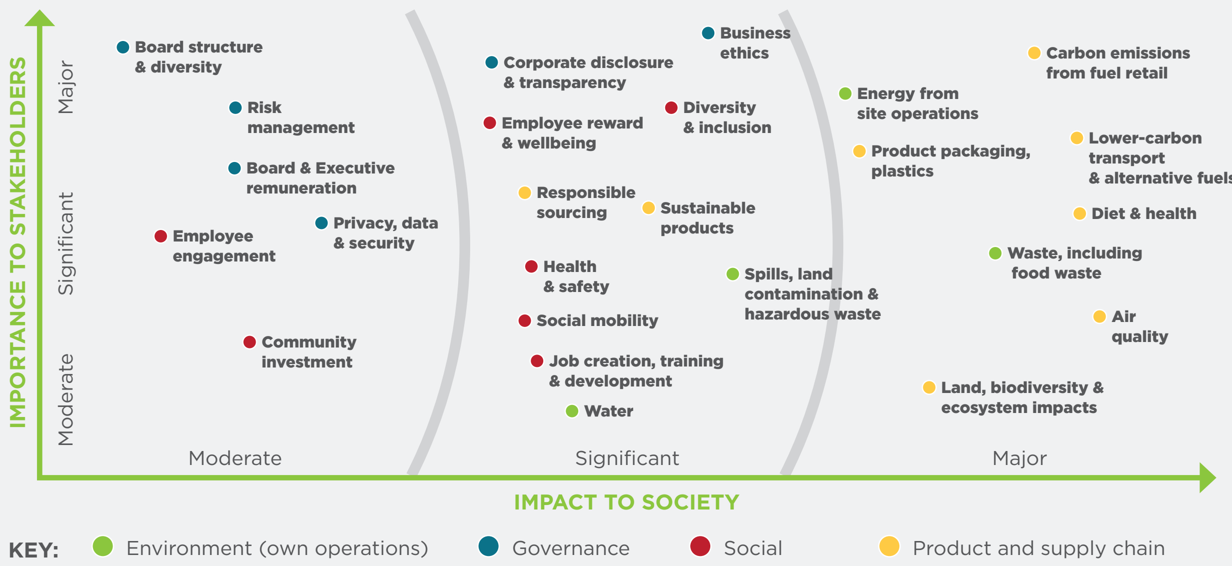
Our most material ESG issues have been selected based on 'double materiality' i.e. topics that are most material to our business value (based on financial perspectives) and those that are most material to society (based on wider stakeholder perspectives). Based on our research, the most material ESG issue for EG is:

- **Climate change and the transition to a lower-carbon economy:** this includes fuel retail, lower-carbon transport and alternative fuels, and energy use at site operations

Other priority issues for EG include:

- Diversity, equality and inclusion
- Employee reward and wellbeing
- Waste management, including food waste
- Business ethics
- Corporate disclosure
- ESG issues associated with the food and retail sectors – such as diet and health, and packaging

OUR ESG MATERIALITY MATRIX



ESG STRATEGY AND TARGETS

Strategic priorities

PLANET

We recognise that the world needs to achieve net zero emissions by 2050 at the latest. We will play our part in tackling climate change by reducing emissions, scaling up products and services that enable lower-carbon mobility, and minimising our waste.

OUR TARGETS:

Climate change

Own operations: Reduce our carbon footprint by at least 50% by 2030 (vs 2021) and reach net zero by 2050. We will develop a reduction roadmap for this in 2022/23

Products and supply chain: Develop a carbon reduction target in 2023/24

Expand our lower-carbon mobility offering, including electric vehicle charging

Waste

Aim to increase our landfill diversion rate year on year, from 21% in 2021

See Planet progress on pages 15 to 22

COLLEAGUES

We believe everyone should have the opportunity to create a better future. That's why, on top of creating job opportunities, we also aim to provide an inclusive culture where all our colleagues can develop, progress and share our success.

OUR TARGETS:

Diversity and inclusion

Implement a Diversity and Inclusion Plan in each of our operating markets by 2024

Increase the percentage of women in senior leadership positions[1] from 23% in 2021 to at least 40% by 2025

Employee engagement

Improve our engagement score year on year, from 62% in 2021

Training and development

Ensure every colleague has access to development opportunities

Create 500 apprenticeships by 2025

See Colleagues progress on pages 23 to 26

COMMUNITIES

We believe that where you start in life shouldn't determine where you end up – that's why we aim to create a better future for our wider communities. We support disadvantaged, vulnerable communities, through health, education and infrastructure – to make a difference where it's needed most.

OUR TARGETS:

Communities

Extend our community programmes across all our operating markets

Start to roll out our volunteering policy – allowing colleagues two paid days a year to volunteer for good causes

See Communities progress on pages 27 to 30

ESG FUNDAMENTALS: In addition to our strategic priorities, we are also committed to taking a responsible approach on fundamental ESG issues applicable to our business.
See ESG fundamentals progress on pages 31 to 33

Environment: Water, Biodiversity, Sustainable Sourcing, Fuel Safety

Social: Employee Health and Safety, Food Safety, Diet and Health, Human Rights

Governance: Business Ethics, Data Protection, Tax, Compliance

[1] This includes members of the Board, Group Executive Management, managers who report directly to any member of the Group Executive Management and senior leadership teams within each country who report to the country CEO/country manager

PERFORMANCE SUMMARY 2021

62.8m

tonnes of CO_2e (total Scope 1, 2 & 3)

250

EV charging points across 98 sites

300

sites with on-site solar panels

652,000

tonnes of total waste

21%

of waste diverted from landfill, including 14% recycled

$1m

raised for charities by our colleagues and customers

19%

of UK and USA colleagues declared they were from an ethnic minority[2]

50%

of our Board is from an ethnic minority background

1m+

'Magic Bags' of food saved from food waste since the start of our partnership with Too Good To Go

2.3m

colleague training hours delivered

308

colleagues in apprenticeships

23%

women in senior leadership positions[1]

62%

employee engagement score

KEY: Planet | Colleagues | Communities

(1) This includes members of the Board, Group Executive Management, managers who report directly to any member of the Group Executive Management and senior leadership teams within each country who report to the country CEO/country manager

(2) This figure is based on voluntarily shared and self-declared data in our USA and UK markets only. Data is unavailable in our other markets

GOVERNANCE – HOW WE MANAGE ESG

OVERSIGHT OF ESG

Our Co-CEOs, Mohsin and Zuber, together with our Executive Management team, have overall responsibility for our ESG strategy and performance. Our Group Board, which includes three Non-Executive Directors, has ultimate oversight of ESG at EG Group. Our three Non-Executive Directors bring extensive experience on ESG, outlined below.

The Board receives regular updates on ESG:

- Health, Environment, Safety & Security (HESS) is an agenda item at every Board meeting
- Our Remuneration Committee receives regular updates on colleague reward and engagement
- ESG risks, especially climate-related risks, are included in the remit of the Audit & Risk Committee

In addition, in 2022, ESG issues will be included as a standing item at every Executive Risk & Disclosure Committee, which meets at least quarterly.

OUR NON-EXECUTIVE DIRECTORS

Lord Stuart Rose

Lord Stuart Rose was knighted in 2008 for services to the retail industry and corporate social responsibility. He was part of the leadership team at M&S when it launched the award-winning Plan A sustainability strategy.

John Carey

John Carey has over 35 years' experience transforming large complex companies into sustainable and profitable businesses, including leadership roles at BP, Castrol and Unilever.

Dame Alison Carnwath

Dame Alison Carnwath has extensive experience in helping businesses prepare for a lower-carbon future, including leadership roles at BP, Land Securities and Zurich Insurance.

EMBEDDING ESG IN THE BUSINESS

In 2021, we appointed a Group Head of ESG and Sustainability who reports into Executive Management, and updates the Group Board regularly on our ESG strategy and progress. The Group Head of ESG and Sustainability also liaises directly with our three Non-Executive Directors to review and shape ESG priorities, including climate change risks and opportunities.

We have now identified our ESG priorities and set targets (see page 7) and will report progress annually in our Annual Report and ESG Report. We have also developed ESG policy position statements which set out our objectives across the wider range of ESG issues applicable to our business (see page 33). We are working to raise awareness among colleagues of our ESG strategy, targets and policies through our internal communications channels.

We have an ESG Working Group, composed of representatives from across our business who deliver ESG activity. The Working Group aims to promote collaboration and best practice across EG. It held fortnightly meetings in 2021, focusing on a number of key issues, including climate change, food waste, colleague engagement and community activity.

We also have teams across the business, at both Group and country level, responsible for managing specific ESG issues, including teams working in HR; Environment, Health & Safety; Utilities; Procurement; and Legal & Governance. Within each country, we have a network of ESG data leads who are responsible for gathering our ESG data, including the data in this report.

ESG-LINKED REWARD

We incorporate financial and non-financial metrics into colleague bonuses. Non-financial measures include improvement of our colleague engagement score, and setting a carbon reduction target. This scheme includes all UK head office/shared service colleagues and above store leaders, with a view to rolling out similar mechanisms across Continental Europe.

RISK MANAGEMENT

We regularly review risks and opportunities as part of our overall governance controls. The Audit & Risk Committee and the Board review, update and approve our Group risk register. An Executive Risk & Disclosure Committee was also established in 2021, meeting at least quarterly, to review our key risks and controls. See our 2021 Annual Report for further details of our risk assessment process and a summary of key Group-wide risks and mitigation measures.

Our Group risk register includes the following ESG risks, which are summarised in our 2021 Annual Report:

- **Climate change and the transition to a lower-carbon economy (strategic risk)**
- **People – talent, culture and capability (people risk)**

We provide further information on our climate change risks on the following pages, to align with external frameworks including the mandatory Task Force on Climate-Related Financial Disclosures (TCFD) and the IFRS disclosure frameworks.

In 2021, we also carried out the following projects as part of our ESG risk assessment processes:

- An ESG materiality assessment. This identified climate change as our most material ESG issue (see page 6)
- Further research into specific climate-related risks and opportunities. The findings are summarised on the following pages

There are increasing risks arising from macroeconomic factors including inflation, war and the rising cost of living, which we cover in the financial performance risk described in our Annual Report.

CLIMATE CHANGE RISKS

Our wider business strategy reflects our desire to build a sustainable business that is as relevant to our customers and partners in future decades as it is today. We recognise the sectors that we operate within are evolving, notably with an increased focus on sustainability and lower-carbon fuel, and as a result we must similarly evolve.

The international Paris climate change agreement requires all sectors of the global economy to decarbonise in line with the goal to limit global warming to 1.5°C. Global emissions need to reduce by around half by 2030 (from current levels) and reach net zero by 2050. For the road transport sector, decarbonisation will require a transition over the mid to long term, from petrol and diesel cars to lower-carbon alternatives, and we recognise that this presents both risks and new business opportunities for EG.

See our ‘Climate change risk’ section on the following pages for a summary of our key risks and opportunities associated both with our products and supply chains, and our own operations.

CLIMATE CHANGE RISK

CLIMATE CHANGE RISKS AND OPPORTUNITIES FOR OUR BUSINESS INCLUDE:

- Risks to our own operations, including transition risks arising from regulation and societal trends, as well as physical risks to property (see below)
- Risks associated with our products and supply chain, including fuel and food retail (see page 12). The transition to a lower-carbon economy also brings market opportunities for lower-carbon mobility, including vehicles fuelled by electricity or hydrogen (see pages 13 and 14)

Our own operations

PROPERTY – TRANSITION RISKS

DESCRIPTION OF RISK

Energy used in buildings accounts for around 28% of global carbon emissions[1]. A lower-carbon future will require a shift to renewable sources of power and heat for buildings, and climate-friendly cooling.

Financial impact of risk

- Energy costs are increasing due to volatility in energy markets, supply pressures and potential future carbon taxes
- Stricter building regulations from governments and local authorities may require higher investment in energy efficiency and lower-carbon technologies

RISK MITIGATION AND FUTURE OPPORTUNITIES

We are already working to mitigate risks through:

- Energy efficiency initiatives
- Onsite energy generation and procurement of renewable electricity
- Exploring Power Purchase Agreements to secure renewable electricity directly from renewable power producers at agreed prices over the long term
- Use of climate-friendly cooling and refrigeration

See further details on all of these on pages 17 and 18.

We have set a target to reduce our operational carbon footprint by at least 50% by 2030 (vs 2021) and reach net zero by 2050. We will develop a reduction roadmap for this in 2022/23. See page 18.

PROPERTY – PHYSICAL RISKS

DESCRIPTION OF RISK

There are physical risks to property from climate change, including an increase in acute risks from extreme events such as erratic weather patterns, fires, droughts, floods and storms, as well as risks associated with long-term changes in the climate, such as rising temperatures and sea levels.

Financial impact of risk

In 2021, an external review into physical risks to our sites found that there are concentrated risks to our sites in the medium term, mostly in Australia, Italy and on the east coast of the USA, as a result of high or extreme heat stress by 2030. Heat stress increases energy demands due to cooling requirements for refrigeration and air-conditioning.

Climate-related physical risks may also lead to increased damage to buildings, which may affect insurance premiums. It may require investment into adaptations to buildings such as flood and fire defences.

In addition, physical climate risks may also lead to greater risk of supply chain disruption as suppliers also face physical challenges to their infrastructure across different parts of the supply chain, including fossil fuel extraction, storage, manufacture and logistics.

RISK MITIGATION AND FUTURE OPPORTUNITIES

An external review conducted into climate-related risks for our sites has helped inform our management teams about the medium to long-term physical risks to our sites. This will enable us to make informed decisions on ways to adapt our sites and ensure they are more resilient to climate change.

The review into physical risks to our sites also found that, globally, we are relatively protected from flood risk and sea level rise, and that our UK asset base is relatively protected from all physical risks linked with climate change.

[1] Source: Global Status Report for Buildings and Construction 2021, published by the Global Alliance for Buildings and Construction (GlobalABC)

CLIMATE CHANGE RISK CONTINUED

Our products and supply chain

FUEL SALES

DESCRIPTION OF RISK

Transport accounts for 37% of emissions from end-use sectors according to the International Energy Agency. Decarbonisation will require a transition over the mid to long term, from petrol and diesel cars to lower-carbon alternatives.

Financial impact of risk

Fuel continues to be important in supporting individual mobility, and in servicing a vital need for the functioning of infrastructure and wider society. Our fuel sales accounted for 47% of our total gross profit in 2021.

We recognise that the transition to a lower-carbon economy will have an impact on our petrol and diesel sales over the medium to long term, while providing opportunities for growth in other areas. According to external analysis[1], the long-term outlook for fuel retail envisages a decline in global value from $87 billion in 2019 to $79 billion in 2030 due to increasing climate regulation and technological innovation. However, the value of global EV charging is expected to rise from negligible today to $20 billion by 2030.

The pace of decarbonisation and associated financial impact on EG will partly depend on government regulation and industry innovation on lower-carbon alternatives and electric vehicles, which we outline on pages 13 and 14.

RISK MITIGATION AND FUTURE OPPORTUNITIES

While a transition away from petrol and diesel has not materially impacted our forecourt operations as yet, we recognise that the development of lower-carbon mobility services will be a key driver of value for EG. We therefore continue to explore strategic options to diversify our offering, including the following:

- We are exploring options with automotive manufacturers and leading players in the industry to offer EV charging solutions. This will allow us to scale up EV charging within our network of sites, which are well positioned in convenient locations and adaptable to meet the changing needs of our customers. We have provided more detail on our progress and activity on EVs on page 20
- Beyond EV chargers, we are also considering how compressed natural gas (CNG), liquefied petroleum gas (LPG) and hydrogen may form part of a broader strategic programme of retail fuels at our sites, to sit alongside traditional transport fuels, with a particular focus on hydrogen to power medium and heavy-duty vehicles (see page 19 for more on our activity on hydrogen)
- We continue diversifying our business to reduce our reliance on fuel sales, and are well placed to offer multiple shopping experiences to our customers. A significant and increasing proportion of our gross profit is generated through our Foodservice and Grocery & Merchandise sales, together accounting for 53% of total gross profit. The acquisition of a number of proprietary Foodservice brands in the UK and USA provides further diversification and growth opportunities for EG

MEAT AND DAIRY SALES

DESCRIPTION OF RISK

Meat and dairy production account for around 14% of global carbon emissions, according to the UN Food & Agricultural Organisation. The transition to a lower-carbon future will require a shift away from intensive meat production to more sustainable farming practices and plant-based protein.

Financial impact of risk

Meat and dairy products account for a significant part of our food sales. At our Foodservice sites, beef and chicken burgers and other meat-based options are popular items on our menus. In the medium to long term, we recognise that governments may impose tighter regulation such as carbon taxes on livestock emissions which may affect the cost of meat and dairy products.

RISK MITIGATION AND FUTURE OPPORTUNITIES

We have started to introduce a wider range of vegetarian and vegan food, including plant-based alternatives to meat. At LEON, one of our proprietary brands, we serve a 'LOVe burger' which is made of pea protein, an ingredient that has a lower impact than soy alternatives.

Our food offering is mostly driven by our Foodservice brand partners, and they will continue to offer vegetarian and vegan food, where there is customer demand for this, and in line with evolving tastes around lower-carbon diets.

[1] McKinsey analysis based on fuel demand for road transportation, including passenger vehicles and fleets

MARKET OPPORTUNITY FOR LOWER-CARBON MOBILITY

In 2021 global sales of electric cars doubled and accounted for 8% of total global car sales.

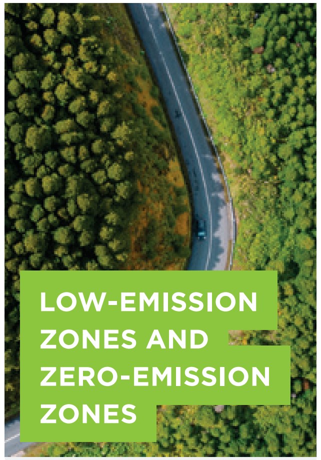
Growth was most significant in Europe, where sales increased from 10% in 2020 to 17% in 2021. The International Council on Clean Transportation (ICCT) estimates that sales of electric vehicles (EVs) will need to reach 35% of the global market by 2030, with higher levels in major markets, to achieve decarbonisation of road transport in line with international climate goals.

More than 30 countries have committed to the Zero Emissions Vehicle Declaration, launched at the COP26 international climate summit in November 2021. Signatories have committed to ensuring that all new car and van sales are zero emission by 2040 (globally) and by 2035 (in leading markets).

However, there are barriers to the scale up of EVs, including purchase costs, sourcing metals for batteries and life-cycle vehicle emissions (including battery production), a fragmented rollout of charging infrastructure, and the volatile cost of charging such vehicles. The need to provide accessible infrastructure presents a growing market opportunity for EG Group. Our larger-than-average, conveniently located sites can accommodate charging solutions that allow us to test and learn from developing technologies and evolving customer demands.

Growth in lower-carbon mobility will partly depend on the speed at which manufacturers can bring down the cost of EVs, innovation across alternative fuels and technologies, including hydrogen, as well as on government legislation and incentives, summarised here and on the next page.

SUMMARY OF THE EXTERNAL LANDSCAPE



LOW-EMISSION ZONES AND ZERO-EMISSION ZONES

CURRENT

- Low-emission zones in some cities in France, the Netherlands, Germany and the UK
- Trials of zero-emission zones (which allow only zero-emission EVs) in some areas in the UK

FUTURE

- Expansion of low-emission zones and zero-emission zones e.g. Santa Monica is the first city in the USA to trial a low-emission zone

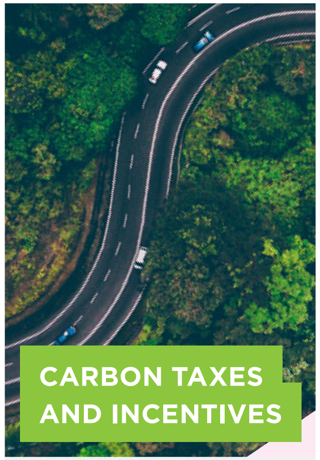
BIOFUELS

CURRENT

- Regulations requiring minimum biofuel or advanced biofuel content in petrol and diesel

FUTURE

- Increasing regulation e.g. the EU aims to increase the share of renewable energy in transport to at least 14%, including a minimum of 3.5% advanced biofuels
- Sourcing qualifying feedstock continues to constrain the scale up of hydrotreated vegetable oils



CARBON TAXES AND INCENTIVES

CURRENT

- Carbon taxes on petrol and diesel
- Incentives for EVs e.g. grants and subsidies

FUTURE

- Higher carbon taxes on fuels and more EV incentives e.g. EU governments have agreed to introduce a new EU carbon market to impose higher CO_2 costs on polluting fuels used in transport and buildings

BAN ON PETROL AND DIESEL CAR SALES

FUTURE

- Ban on sales of new petrol and diesel cars in the UK (2030), Europe (2035) and some USA states, including California, New York and Washington (2030-2035)

MARKET OPPORTUNITY FOR LOWER-CARBON MOBILITY CONTINUED

SUMMARY OF THE EXTERNAL LANDSCAPE CONTINUED

Government commitments on EV charging

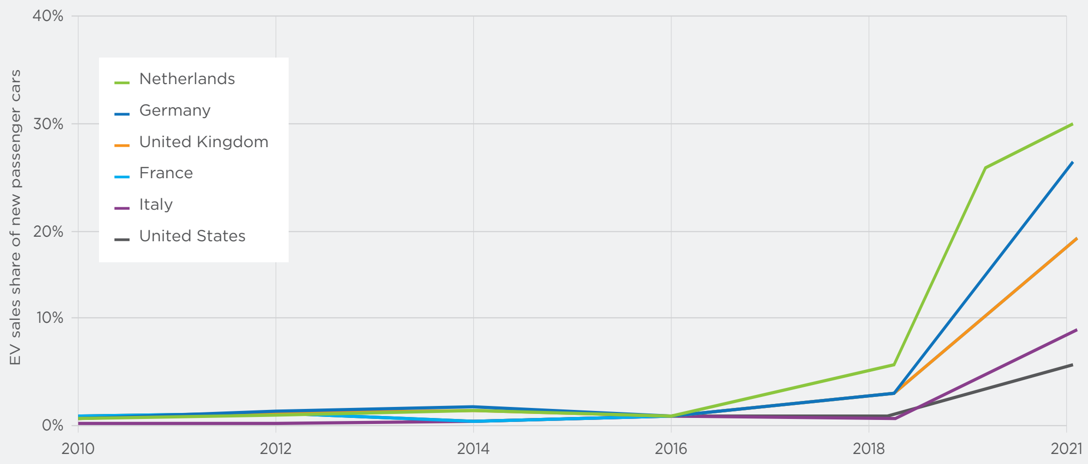
- **UK:** The UK's energy regulator has approved a £300 million investment to triple the number of ultra-fast electric charging points across the country
- **Europe:** To achieve carbon neutrality by 2050, the EU's Fit for 55 package emphasises EV charging infrastructure build-out, calling for charging points every 60 km along major European highways
- **USA:** The Inflation Reduction Act provides nearly $370 billion in climate change investments to help reduce carbon emissions by 40% by 2030. It provides significant tax breaks for businesses that purchase new or used medium and heavy-duty electric vehicles (EVs) and new chargers
- **Australia:** The Australian government has pledged A$178 million to ramp up the rollout of charging stations for electric vehicles and hydrogen refuelling

Hydrogen vehicles

Vehicles powered by hydrogen fuel cells produce zero carbon emissions from their exhaust. Hydrogen offers potential benefits for commercial fleets since the tanks can be filled as quickly as diesel tanks and offer a similar driving distance. However, a significant amount of energy is needed to produce hydrogen as a fuel for vehicles. Barriers to scaling up include establishing clean hydrogen supplies (only 0.1% of the hydrogen currently produced is made from renewable electricity, according to Fitch Ratings), as well as the lack of hydrogen refuelling infrastructure. For example, at the end of 2020, France, Germany, the UK, USA and Italy collectively had only 209 refuelling points, according to the IEA. Scaling up hydrogen will require long-term policy signals and support for demand creation – but it also presents opportunities for business. See page 19 for how EG is exploring and investing in hydrogen-powered commercial vehicles.

See pages 19 to 21 for details of the actions we are taking to support the transition to lower-carbon mobility.

MARKET GROWTH OF NEW ELECTRIC VEHICLES[1]



COMMERCIAL ELECTRIC VEHICLES

Globally, the International Energy Agency estimates that the number of light-commercial electric vehicles will increase from about 10 million in 2020 to around 50 million in 2025, and almost 140 million in 2030. Electric trucks and heavy-duty distribution vehicles are projected to increase to 1.8 million in 2030, from a negligible level in 2020.

COST OF ELECTRIC VEHICLES

According to the ICCT, the costs of EV batteries have declined by 90% over the last decade and are projected to drop by another half over the next decade. The ICCT estimates that the purchase price to consumers of battery-electric passenger cars will reach parity with conventional internal combustion engine (ICE) vehicles in the next four to eight years, and will eventually be cheaper than conventional cars.

[1] Source: https://theicct.org/g7-lvs-hvs-jun22/

OUR PROGRESS

PLANET

We recognise that the world needs to achieve net zero emissions by 2050 at the latest. We will play our part in tackling climate change by reducing emissions, scaling up products and services that enable lower-carbon mobility, and minimising our waste.

OUR TARGETS

CLIMATE CHANGE

- Own operations: Reduce our carbon footprint by at least 50% by 2030 (vs 2021) and reach net zero by 2050. We will develop a reduction roadmap for this in 2022/23
- Products and supply chain: Develop a carbon reduction target in 2023/24
- Expand our lower-carbon mobility offering, including electric vehicle charging

WASTE

- Aim to increase our landfill diversion rate year on year, from 21% in 2021

OUR PROGRESS – CLIMATE CHANGE

We collated data on our Group-wide greenhouse gas emissions for the first time in 2021, creating a baseline against which we will track our progress over time.

In 2021, our total emissions were 62.8 million tonnes of CO_2e. This includes emissions from our own operations (Scope 1 and 2) and emissions associated with the products we sell, including upstream emissions from our suppliers and downstream emissions from products i.e. customer use of fuel (Scope 3). See the diagram opposite for a further breakdown of our emissions.

- **Our operations (Scope 1 and 2):** The majority of emissions from our own operations are from electricity, heating and cooling in our buildings[1]. We have set a target, in line with science, to reduce our Scope 1 and 2 carbon emissions by 50% by 2030 (vs 2021). We will develop a reduction roadmap for this in 2022/23
- **Our products and supply chains (Scope 3):** As with most retailers, our most significant contribution to emissions comes from our supply chain and our products. Customer use of fuel accounts for 70% of our total emissions. We plan to develop a target for our products and supply chain in 2023/24

See data appendix (page 36) for a full breakdown of our carbon emissions.

CARBON EMISSIONS 2021

62.8m
tonnes CO_2e

OUR SUPPLIERS (SCOPE 3)

29.3%

- **0.3%** FOODSERVICE
- **23%** FUEL
- **6%** GROCERY & MERCHANDISE

Upstream emissions – purchased goods and services

OUR OPERATIONS (SCOPE 1, 2, 3)

0.7%

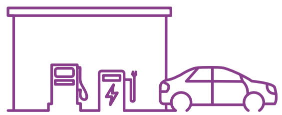
- **0.6%** ELECTRICITY, HEATING & COOLING
- **0.1%** OTHER[1]

Our buildings and business travel

OUR CUSTOMERS (SCOPE 3)

70%

- **70%** CUSTOMER USE OF FUEL



Downstream emissions – customer use of fuel

[1] We also have Scope 3 operational emissions arising from leased vehicles, waste and water use

OUR PROGRESS – CLIMATE CHANGE CONTINUED

OUR OPERATIONS

1.8%
energy from renewable sources

300
sites with on-site solar panels

RENEWABLE ENERGY USE

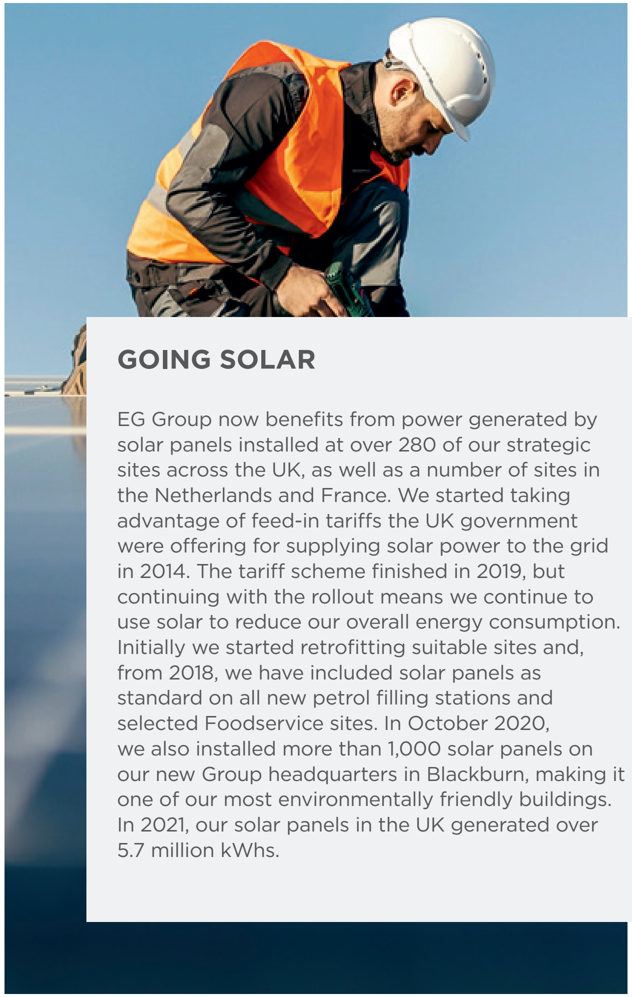
- Renewable electricity accounted for 1.8% of our total energy use in 2021. We have switched to 100% renewable electricity at all our sites in the Netherlands and at all LEON sites in the UK where we are responsible for purchasing the electricity. As energy costs continue to rise globally, we are actively exploring Power Purchase Agreements to secure a portion of our energy needs from renewable sources at predictable prices
- In 2021, 300 sites had on-site solar panels, saving an estimated 1,466 tonnes of CO_2e in the year and reducing costs; see further details in the case study opposite

ENERGY EFFICIENCY

- We continued to roll out energy-efficiency measures, including improved energy monitoring systems and the rollout of LED lighting across our sites in the UK, Continental Europe and the USA. We have started to replace some gas boilers with heat pumps to improve energy efficiency and reduce carbon emissions. So far, we have installed heat pumps at 107 sites

COOLING AND REFRIGERATION

- Emissions from our cooling and refrigeration systems ('fugitive emissions') account for 10% of our Scope 1 carbon footprint, and 1% of our total Scope 1 and 2 footprint. Our Smart Cool systems help to reduce releases of cooling gases and increase energy efficiency, and have been trialled at some of our sites in Germany and the UK



GOING SOLAR

EG Group now benefits from power generated by solar panels installed at over 280 of our strategic sites across the UK, as well as a number of sites in the Netherlands and France. We started taking advantage of feed-in tariffs the UK government were offering for supplying solar power to the grid in 2014. The tariff scheme finished in 2019, but continuing with the rollout means we continue to use solar to reduce our overall energy consumption. Initially we started retrofitting suitable sites and, from 2018, we have included solar panels as standard on all new petrol filling stations and selected Foodservice sites. In October 2020, we also installed more than 1,000 solar panels on our new Group headquarters in Blackburn, making it one of our most environmentally friendly buildings. In 2021, our solar panels in the UK generated over 5.7 million kWhs.

OUR PROGRESS – CLIMATE CHANGE CONTINUED

OUR OPERATIONS

How we can reduce our emissions from operations

We have set a target, in line with science, to reduce our carbon emissions from our operations (Scope 1 and 2) by 50% by 2030 (vs 2021). We will develop a reduction roadmap for this in 2022/23, and below we set out some of the carbon reduction measures we will consider as part of the development of our roadmap.

1. ENERGY EFFICIENCY

- Install energy-efficient lighting and equipment
- Extend energy monitoring and awareness

2. RENEWABLE ENERGY

- Extend procurement of renewable electricity
- Increase on-site solar electricity generation

3. CLIMATE-FRIENDLY HEATING

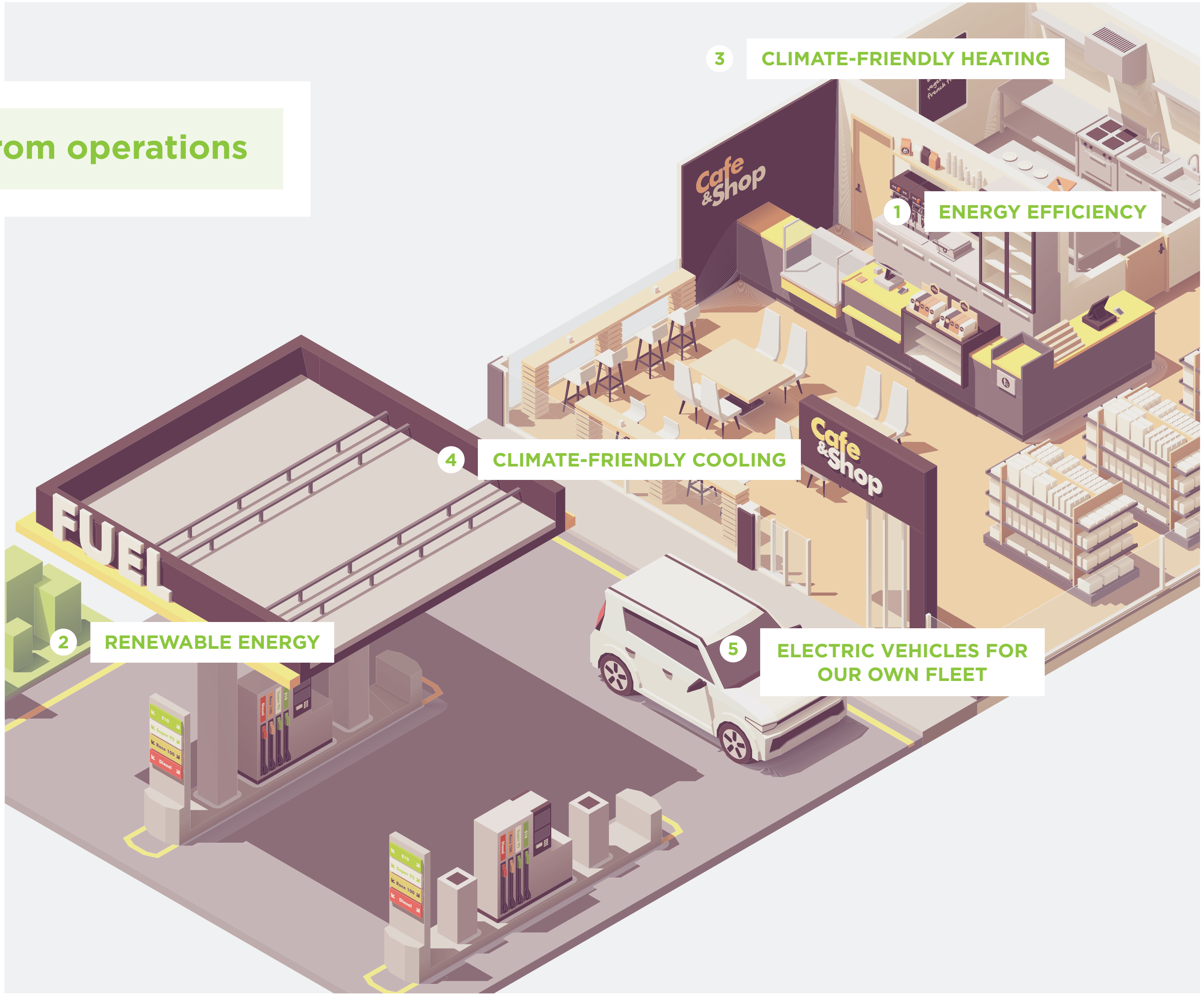
- Start to replace boilers with heat pumps, powered by renewable electricity

4. CLIMATE-FRIENDLY COOLING

- Increase use of climate-friendly cooling systems

5. ELECTRIC VEHICLES FOR OUR OWN FLEET

- Start to switch to hybrid and fully electric vehicles



OUR PROGRESS – CLIMATE CHANGE CONTINUED

OUR CUSTOMERS

17.7bn
litres of fuel sold in 2021 (18.1 billion litres in 2020)

44m
tonnes of CO_2e from customer use of fuel sold, representing 70% of our total carbon footprint

Our most material Scope 3 carbon emissions are the downstream emissions from customer use of fuel.

BIOFUEL AND ALTERNATIVE FUELS

Biofuel or renewable transport fuel regulations in many markets mandate minimum biofuel content in transport fuel. Biofuels help reduce carbon emissions from transport, since they are commonly derived from crops that absorb carbon dioxide when they grow.

In some of our markets, for example in Benelux and the USA, we are a wholesaler of fuel as well as a retailer. Where relevant, we comply with biofuel regulations through physical blending of biofuels and/or by trading biofuel certificates in line with legal requirements. In the Netherlands for example, the certificates we purchased in 2021 saved 293,000 tonnes CO_2e.

In our fuel retail operations, we ensure we meet government specifications for the type of fuels sold; for example, in the UK, in 2021 we changed all standard fuel at our pumps to E10 petrol (which contains 5% to 10% ethanol, which is a biofuel) and B7 diesel (which contains up to 7% biofuel), to meet new regulatory requirements.

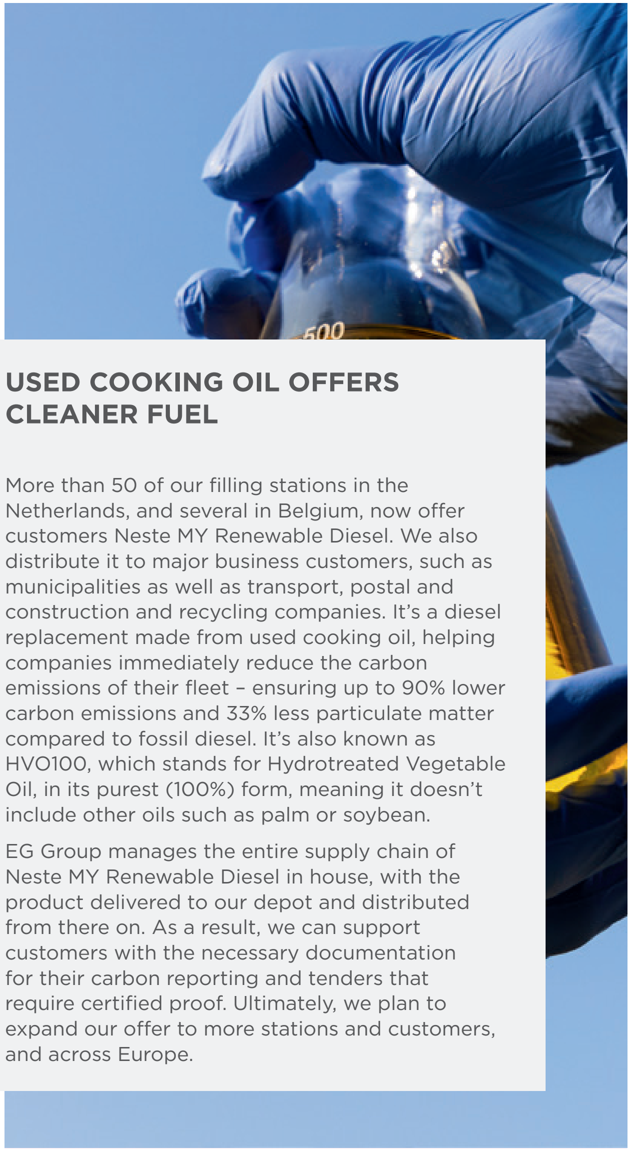
We are also actively considering how compressed natural gas ("CNG"), liquefied petroleum gas ("LPG") and hydrogen may form part of a broader strategic programme of retail fuels at our sites to sit alongside traditional transport fuels, with a particular focus on the potential for hydrogen to power light and heavy-duty vehicles.

In 2021, EG invested £5 million in Hydrogen Vehicle Systems (HVS), a company that designs and develops hydrogen-electric vehicles for the commercial vehicle market. The investment is going towards development of a hydrogen van and truck, including prototyping and demonstrating the use case, allowing manufacturing to commence.

HVS plans to become the first to bring ground-breaking, viable, zero-emission, long-range, hydrogen-powered commercial vehicles to the UK and European market. HVS' initial success has resulted in it securing more than £13m in government grants as well as an additional £25m in support from EG in 2022.

"THE HYDROGEN INDUSTRY IS EXPECTED TO GROW SIGNIFICANTLY IN THE NEXT DECADE. WE ARE DELIGHTED TO BE INVESTING IN HVS; WE LOOK FORWARD TO BEING PART OF THAT JOURNEY, AS EG BROADENS ITS OWN FUELS AND MOBILITY PROPOSITION."

ZUBER ISSA
CO-CEO, EG GROUP



USED COOKING OIL OFFERS CLEANER FUEL

More than 50 of our filling stations in the Netherlands, and several in Belgium, now offer customers Neste MY Renewable Diesel. We also distribute it to major business customers, such as municipalities as well as transport, postal and construction and recycling companies. It's a diesel replacement made from used cooking oil, helping companies immediately reduce the carbon emissions of their fleet – ensuring up to 90% lower carbon emissions and 33% less particulate matter compared to fossil diesel. It's also known as HVO100, which stands for Hydrotreated Vegetable Oil, in its purest (100%) form, meaning it doesn't include other oils such as palm or soybean.

EG Group manages the entire supply chain of Neste MY Renewable Diesel in house, with the product delivered to our depot and distributed from there on. As a result, we can support customers with the necessary documentation for their carbon reporting and tenders that require certified proof. Ultimately, we plan to expand our offer to more stations and customers, and across Europe.

OUR PROGRESS – CLIMATE CHANGE CONTINUED

OUR CUSTOMERS

3,241
tonnes of carbon saved by customers by using EV charging on our sites

250
EV charging points across 98 sites

ELECTRIC VEHICLE CHARGING

We have 250 electric vehicle (EV) charging points across 98 sites in the UK and Europe. In 2021 we invested $3 million in the UK and Continental Europe on rolling out ultra-fast EV chargers, and expect to reach 300 by the end of 2022. In the USA, we continue to explore the further rollout of EV charging in agreement with partners. We have approximately 50 sites in various stages of development, from agreement to installation.

We plan to expand our offering on lower-carbon mobility, including EV charging. Established in 2021, we launched 'EV Point', our proprietary branded ultra-fast electric vehicle charging proposition. Our flagship location, the home of six ultra-fast chargers, opened in August 2022 at our Frontier Park site in Blackburn. We're planning over 20 trial sites across the UK by the end of 2022, and have earmarked further sites from 2023 to 2026, as well as continuing our planned expansion throughout Europe. With between two and six charging points per site, the latest load-balancing technology means several customers can use a single point simultaneously.

Our current software provider, ChargePoint, are the back-office operator for our proprietary EV chargers, which allows customers to find EG locations and pay for usage through the ChargePoint app or on site with a tap of a payment card. As part of the trials of our proprietary EV charging, we will track the kilowatts customers use to charge their cars, and use industry-accepted averages to translate that into the amount of carbon emissions saved. In addition, all charging points are supplied by 100% REGO-certified renewable energy.

See page 11 for further detail of our climate change risks and a summary of the market opportunity linked to lower-carbon mobility, including EV charging.

OFFERING CONVENIENCE FOR EV DRIVERS IN GERMANY

In Germany, we're working with Jolt Energy to offer our customers high power EV charging in major cities. We have already installed chargers in Hamburg and Stuttgart and aim to install between 50 to 60 chargers within the next two years. With a standard charge taking 20 minutes, our sites also provide customers with the opportunity to do some shopping, buy a coffee or relax while they recharge. "We know at the moment only 1% of cars in Germany are electric, but we want to be there from the beginning, offering a convenient destination and service to EV drivers," says Heiko Thieme, our Fuels Development Manager.

OUR PROGRESS – CLIMATE CHANGE CONTINUED

OUR SUPPLY CHAINS

17.9m
tonnes of CO_2e

This represents 29% of our total carbon emissions.

FUEL SUPPLIERS

In 2021, our fuel supply chain accounted for 23% of our total carbon emissions, due to the carbon intensity of extracting fossil fuels. We buy fuels from suppliers, including well-known brands such as BP, Chevron, ExxonMobil and Shell. A number of our fuel suppliers have set targets to reduce their carbon intensity, which will help to drive decarbonisation in our upstream supply chain over time. At EG, we will continue to engage with our fuel suppliers on environmental issues, particularly on the climate agenda, to understand how they are managing and shaping the transition to a lower-carbon economy.

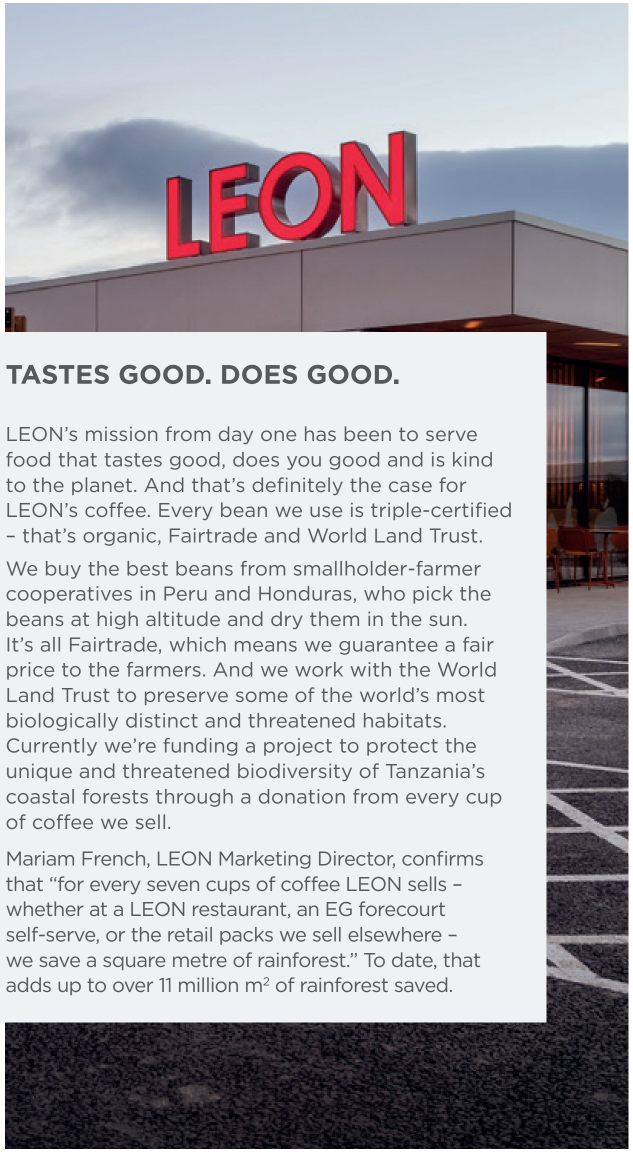
FOOD SUPPLIERS

The most significant climate change impact in our food supply chain is from the production of meat and dairy, due to livestock emissions. Many of our Foodservice partners have started to broaden their range of vegetarian and plant-based alternatives, to promote both low-carbon and healthier choices, (for example, the Gregg's vegan sausage roll and Burger King's plant-based burger). At LEON, our proprietary food brand, a significant amount of the menu is vegan or vegetarian. Carbon offsets are purchased so the burgers and fries at LEON are carbon-neutral.

FUTURE PRIORITIES – CUSTOMER AND SUPPLY CHAIN EMISSIONS

We will develop a carbon target for our products and supply chain (Scope 3) in 2023/24.

Whilst a transition away from petrol and diesel has not materially impacted our forecourt operations as yet, we are conscious of the importance of a lower-carbon future and will continue to explore strategic options for EV charging and lower-carbon, alternative fuels. See pages 13 and 14 for further details of the scale of the business opportunity. We also continue to engage our fuel and food suppliers on environmental issues, including climate, to understand how these are factored into their products and services.



TASTES GOOD. DOES GOOD.

LEON's mission from day one has been to serve food that tastes good, does you good and is kind to the planet. And that's definitely the case for LEON's coffee. Every bean we use is triple-certified – that's organic, Fairtrade and World Land Trust.

We buy the best beans from smallholder-farmer cooperatives in Peru and Honduras, who pick the beans at high altitude and dry them in the sun. It's all Fairtrade, which means we guarantee a fair price to the farmers. And we work with the World Land Trust to preserve some of the world's most biologically distinct and threatened habitats. Currently we're funding a project to protect the unique and threatened biodiversity of Tanzania's coastal forests through a donation from every cup of coffee we sell.

Mariam French, LEON Marketing Director, confirms that "for every seven cups of coffee LEON sells – whether at a LEON restaurant, an EG forecourt self-serve, or the retail packs we sell elsewhere – we save a square metre of rainforest." To date, that adds up to over 11 million m^2 of rainforest saved.

OUR PROGRESS – WASTE

652,000
tonnes of total waste

21%
of waste diverted from landfill, including 14% recycled

1m+
'Magic Bags' of food saved from waste via Too Good To Go since the start of our partnership

We aim to minimise waste and maximise waste recovery and recycling, since this is good for the planet and reduces our operational costs at the same time.

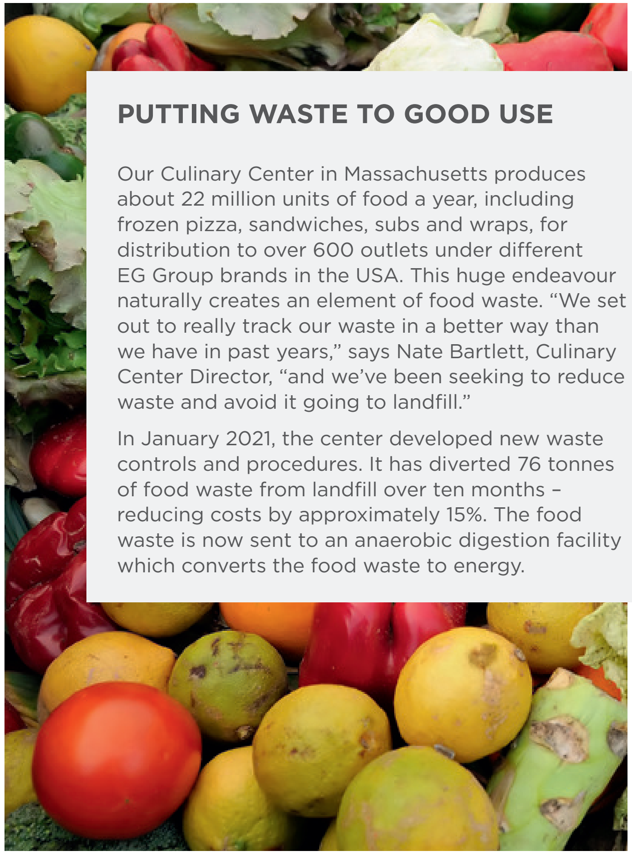
OPERATIONAL WASTE

Across all our markets, we operate in very different jurisdictions with different waste regulations. For example, in France, we segregate different waste materials for recycling, including paper, plastic, glass, metal and wood, in line with regulatory requirements. We work with waste contractors to manage all our waste, and we have been working to consolidate the number of contractors we work with over the past few years. Going forwards, waste management and segregation will factor more formally in our waste contracts as we look to increase the proportion of our waste being diverted from landfill. We are aiming to increase our landfill diversion rate year on year, from 21% in 2021.

FOOD WASTE

Every year across the globe, one third of all food produced for human consumption is wasted. As a food retailer we have a role in ensuring food doesn't go to waste. We are working with Too Good To Go (TGTG) in the UK and Europe. TGTG is an organisation which seeks to prevent food waste, via an app that allows anyone to pick up unsold food in 'Magic Bags' at a discount. In 2021, our partnership with TGTG was operational across the UK, France, Germany, Belgium and the Netherlands. Since the start of our partnership, we have sold 1,029,552 'Magic Bags' (2021: 734,482), helping to avoid an estimated 2,573,880 kg of CO_2 (2021: 1,836,205 kg).

Feeding America is a United States-based NGO, and is a nationwide network of more than 200 food banks that feed more than 46 million people through food pantries, soup kitchens, shelters and other community-based agencies. In 2021 we donated 253 tonnes of food to Feeding America food banks.



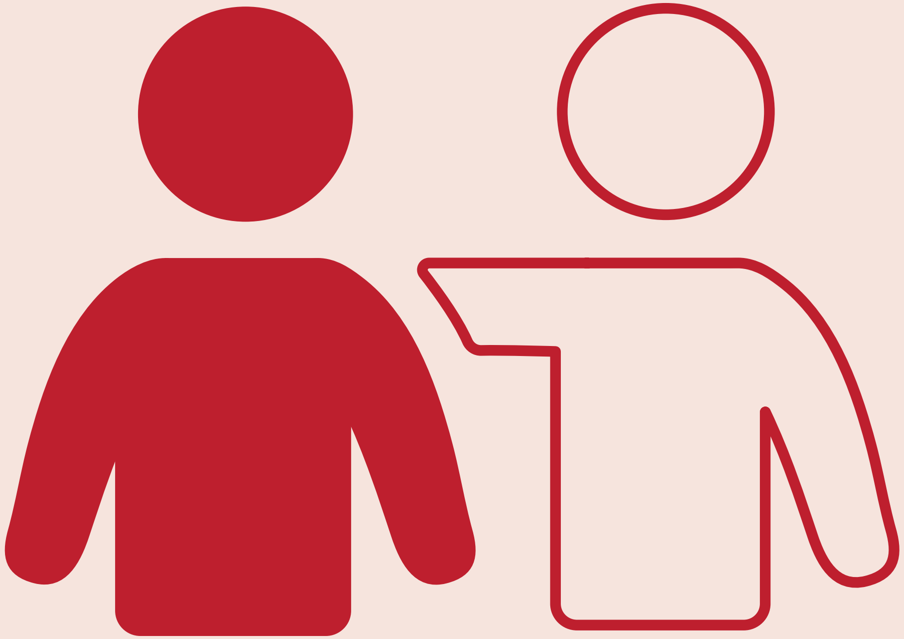
PUTTING WASTE TO GOOD USE

Our Culinary Center in Massachusetts produces about 22 million units of food a year, including frozen pizza, sandwiches, subs and wraps, for distribution to over 600 outlets under different EG Group brands in the USA. This huge endeavour naturally creates an element of food waste. "We set out to really track our waste in a better way than we have in past years," says Nate Bartlett, Culinary Center Director, "and we've been seeking to reduce waste and avoid it going to landfill."

In January 2021, the center developed new waste controls and procedures. It has diverted 76 tonnes of food waste from landfill over ten months – reducing costs by approximately 15%. The food waste is now sent to an anaerobic digestion facility which converts the food waste to energy.

OUR PROGRESS

COLLEAGUES



We believe everyone should have the opportunity to create a better future. That's why, on top of creating job opportunities, we also aim to provide an inclusive culture where all our colleagues can develop, progress and share our success.

OUR TARGETS

DIVERSITY AND INCLUSION

- Implement a Diversity and Inclusion Plan in each of our operating markets by 2024
- Increase percentage of women in senior leadership positions[1] from 23% in 2021 to at least 40% by 2025

EMPLOYEE ENGAGEMENT

- Improve our engagement score year on year, from 62% in 2021

TRAINING AND DEVELOPMENT

- Ensure every colleague has access to development opportunities
- Create 500 apprenticeships by 2025

[1] This includes members of the Board, Group Executive Management, managers who report directly to any member of the Group Executive Management and senior leadership teams within each country who report to the country CEO/country manager

OUR PROGRESS – COLLEAGUES

58,493
colleagues as at end of 2021

62%
employee engagement score

23%
women in senior leadership

2.3m
training hours

EMPLOYEE SATISFACTION

In 2021, we carried out our inaugural 'Better Together' Group-wide colleague engagement survey, to measure colleague engagement and experience. This is a crucial first step in better understanding our team, what is working well, where the opportunities are for improvement and what we can do to improve engagement and ultimately our employee experience.

Our Group-wide score is 62%, with over 16,000 colleagues responding to the survey. Our analysis shows that there are a number of key issues that influence engagement scores and drive our colleagues' everyday experiences at EG, including pay and benefits, wellbeing and communications. In 2022, teams in all countries have been distilling the outputs from the survey, conducting listening sessions and creating improvement action plans. HR leads conduct a quarterly review and feedback session, and report into the Remuneration Committee.

Our employee turnover rate (including voluntary and involuntary leavers) is reported by country in our Data Appendix on page 46. Whilst a high turnover rate is common in the retail sector, some of our markets experienced significant turnover in 2021. Our focus on employee satisfaction – responding to the issues our colleagues tell us are important – will enable us to improve this over time. We have set a target to improve our colleague engagement score year on year.

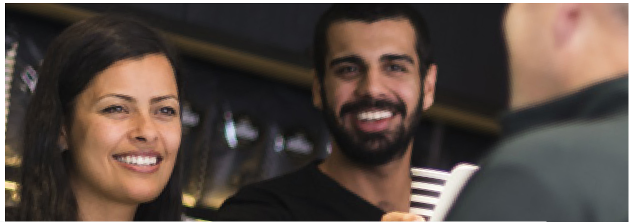
REWARD AND WELLBEING

We care about the wellbeing of our colleagues, and aim to be an employer of choice. We want to reward and recognise our colleagues fairly for their contribution to our success.

In 2021, we made a number of enhancements to pay and benefits, overseen by our Remuneration Committee. We give a full account of our approach to reward in the Remuneration Committee section of our 2021 Annual Report.

In addition to pay and reward, we also focus on enhancing our offer on colleague wellbeing. We provide support to colleagues through assistance programmes, which includes counselling and a range of support packages to colleagues whenever they need it.

- In the USA we have developed a wellbeing app that all team members can access and offer a range of wellbeing activities including meditation and breathing exercises
- In the UK, we have started to train mental health first aiders to offer additional support to colleagues
- In Australia, we continued to support our colleagues against a backdrop of extended and strict COVID-19 lockdowns, changing public health requirements and natural disasters in the communities in which we operate. We offered paid special leave, counselling and more flexible work shifts to ensure colleagues felt supported in exceptionally difficult circumstances



CELEBRATING OUR DIFFERENCES

In the USA we established an Inclusion and Diversity Council, to bring our colleagues together and advance our focus on this agenda. We celebrate key milestones, host events and raise awareness of diversity issues. At our Store Support Centre, we celebrated Pride Month, and raised the rainbow flag to show our support – this gained more likes than any other video shared with our colleagues, who told us they felt it was important to work for a business which celebrates diversity.

In the UK, we are proud to be a founding member of Diversity in Retail (DIR), working alongside other leading UK retailers. DIR is devoted to increasing women's and ethnic minorities' representation at all levels (and especially in leadership positions) across the retail sector, and a number of our colleagues are involved in its partnering and mentoring schemes.

OUR PROGRESS – COLLEAGUES CONTINUED

DIVERSITY, EQUALITY & INCLUSION

At EG, we want people to celebrate and value their differences. We aim to be a diverse, equitable and inclusive business, which reflects the diversity of our colleagues, customers, communities and countries in which we operate. We have a Diversity, Equality & Inclusion (DE&I) policy which sets out our approach and activities for supporting our diverse workforce. We plan to develop a Diversity and Inclusion Plan in each of our markets and to set up a colleague-led EG Inclusion Group, to represent colleagues on DE&I issues including ethnicity, gender, LGBTQ+, age and disability. We have a target to increase women in senior leadership positions from 23% in 2021 to at least 40% by 2025.

We gathered data on diversity for the first time in 2021, which will enable us to track progress over time on key diversity metrics:

- 19% of the USA and UK workforce self-declared that they are from an ethnic minority[(1)]
- 50% of the Group Board and 71% of Executive Management are from an ethnic minority
- 390 employees declared a disability[(2)]. As far as possible, we ensure the training, career development and promotion of disabled persons is the same as that of other colleagues

TRAINING AND DEVELOPMENT

Providing our colleagues with training and development opportunities is fundamental to providing best-in-class customer service, but also in ensuring our colleagues develop their potential. We have learning and development policies and programmes across our markets, and we carry out regular needs assessments to inform the provision of learning and development activity.

In 2021, employees completed a total of 2.3 million training hours. This includes compliance and operational training. We aim to ensure all of our colleagues have access to development opportunities, and will report on how we are delivering this next year.

We also aim to promote development and work opportunities for young people. In 2021, 308 young people participated in apprenticeships with us in the UK and Germany. In the UK, we have invested significantly in the development of career pathways through apprenticeships funded by the UK government's Apprenticeship Levy (see box opposite).

WORKFORCE

56% WOMEN

44% MEN

SENIOR LEADERSHIP[(3)]

23% WOMEN

77% MEN

EXECUTIVE MANAGEMENT

0% WOMEN

100% MEN

BOARD

12.5% WOMEN

87.5% MEN

(1) Data is unavailable in our other markets

(2) This is based on self-declared and voluntarily shared data

(3) This includes members of the Board, Group Executive Management, managers who report directly to any member of the Group Executive Management and senior leadership teams within each country who report to the country CEO/country manager

GROWING POTENTIAL THROUGH APPRENTICESHIPS

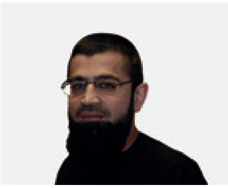
In 2021, 33 EG apprentices successfully completed a 24-month Retailer Level 2 (foundation level) apprenticeship programme in the UK. 25% graduated with a distinction and 45% progressed into more senior roles. Following this success, we have now invested £675,000 in expanding our apprentice programme significantly. Spencer Harrison, Apprenticeships Manager, says: "Our colleagues can realise their potential and grow with the company, increasing both team and personal capabilities."

We now run a yearly training-needs analysis and we are diversifying our apprenticeship offer from foundation level up to degree apprenticeships in a range of disciplines such as HR, finance, legal, surveying, insurance, data analytics, IT, retail and hospitality management. We're looking to create 500 apprenticeships in the UK by 2025, including opportunities at head office, LEON, Cooplands and with a number of brand partners. As Vincent O'Donovan, Head of Learning & Development, says: "Our apprenticeship scheme supports a true commitment to learning and development that is integral to the ongoing success of EG Group. We have a clear vision of enabling our people to be the best they can be, every day."

OUR PROGRESS – COLLEAGUES CONTINUED

CONTRIBUTING TO OUR SUCCESS

From shop floor to back office, our colleagues contribute to our success across all our markets globally, day in day out. Here are just some examples of the work our colleagues do to help us improve our ESG performance.

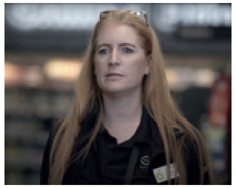


AHMED

I've been with EG for 21 years, and have worked my way up from site management to Group Operations Director. My team looks after EG Group operations in various countries. I'm proud of the work we've been doing to move our colleague vehicles to hybrid, and will look at going fully electric when contracts are renewed. We're also working closely with waste contractors to drive efficiencies in how we manage waste in the business, to ensure we are improving our recycling rates and helping to minimise our impact on the environment.

MOHAMMED

It's my role to manage energy and utilities at EG Group in the UK and parts of Continental Europe. We've come a long way in recent years – we've been installing automated meters on sites to ensure we measure and manage our usage regularly, on top of rolling out solar panels on all new-to-industry sites, as well as retrofitting old ones. My team actively explores renewable energy contracts where possible, and that includes Power Purchase Agreements, to help keep costs at predictable rates, as well as ensuring we can reduce our carbon footprint.



KERRY

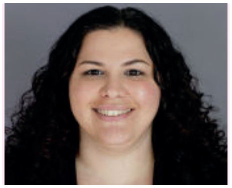
As a store manager, I implement a number of activities on site to help us carry out business responsibly. On top of serving our customers' needs, I also support my colleagues by ensuring they feel equipped to do their job, are trained appropriately, and know where to turn if they need extra support on a range of issues, from wellbeing to advice. I also ensure we manage our waste and recycling in line with guidelines, and help to save energy by turning off lights and heating when not needed.

EKTA

My team in Australia ensures we operate in a manner which is compliant, responsible and resilient.

COVID-19 safe operations were a focus in 2021, and our Health, Environment, Safety & Security (HESS) and Operations teams led the way to ensure that our business effectively managed the challenges presented by the pandemic in the face of a dynamic regulatory environment.

My team also developed comprehensive compliance programmes, including addressing the risks of modern slavery in our business. EG Australia released its first Modern Slavery Statement in 2021.



MICHELLE

Here at EG America, my team administers "The Hope Fund" programme. This is an emergency financial resource fund for team members to apply for financial assistance due to unforeseen catastrophic hardship or loss, or an economic hardship or loss. The Hope Fund programme is funded by voluntary donations from team members, which the company matches. Since 2012, the Hope Fund programme has donated over $1m to more than 450 team members. I am very proud to be part of this programme, which offers team members support in their time of greatest need.

OUR PROGRESS

COMMUNITIES

We believe that where you start in life shouldn't determine where you end up – that's why we aim to create a better future for our wider communities. We support disadvantaged, vulnerable communities, through health, education and infrastructure – to make a difference where it's needed most.

CHARITABLE ACTIVITY page 28

OUR TARGETS

COMMUNITIES

- Extend our community programmes across all our operating markets
- Start to roll out our volunteering policy – allowing colleagues two paid days a year to volunteer for good causes

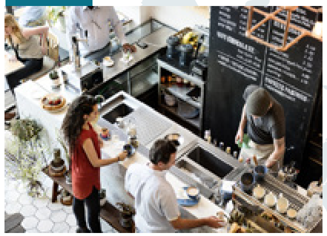
OUR PROGRESS – COMMUNITIES

$1m
raised for charity by our colleagues and customers

11
charitable organisations benefited from our support

Our colleagues are passionate about fundraising, and give their time to good causes in the communities where they live and work – helping to make a difference where it's needed. As part of our ESG strategy, all colleagues can take two days a year to volunteer for good causes. Below is a selection of activity we take part in across our markets.

USA



In the USA, we have long-term partnerships with charities, including the American Cancer Society, Disabled American Veterans and The United Way. Our colleagues fundraise extensively throughout the year to raise funds – and awareness – of their chosen charities.

UK & IRELAND

Our colleagues fundraise for local and national good causes, including the Alder Hey Children's Charity and the Royal Manchester Children's Hospital Charity, raising money in work time, and also in their own time. In addition, in the UK, the EG Foundation exists as an independent charity and makes grants to charitable causes.

CONTINENTAL EUROPE

Colleagues have been supporting charities with a focus on cancer patients and children who are unwell. This includes Swim for Cancer, Ronald McDonald House, and ANT Foundation, which provides specialist at-home care for cancer patients.

AUSTRALIA

In 2021, the ongoing pandemic in Australia meant our colleagues were unable to prioritise charitable activity, as strict lockdowns and restrictions, as well as natural disasters, meant this was not feasible. Our focus was on supporting our colleagues; read more on page 24.

OUR PROGRESS – COMMUNITIES CONTINUED

EG FOUNDATION IN THE UK

The EG Foundation was established in 2019 as an independent charity, with EG Group as its corporate sponsor – aiming to create 'a brighter tomorrow' by supporting education, children and young people, and health and wellbeing. It is funded via the carrier bag levy in the UK.

In 2021, eleven community projects received grants from the EG Foundation, worth a total of $299,000.

Examples of beneficiaries included hospices, schools and programmes to support individuals with dementia and learning disabilities.

Projects supported included funding to the Star Academy Trust in England to help improve reading and literary skills among schoolchildren. The Star Readers programme is designed to engage and challenge children by encouraging and rewarding them for reading from a recommended list of specifically selected books.

$299,000

in grants made by the EG Foundation in 2021

HUGE EFFORTS FOR GREAT CAUSES

Our colleagues raise funds each year for worthwhile causes. For example, in the UK our employees have participated in various sponsored events including the Three Peaks Challenge and the Manchester Marathon. Our EG Subway team even raised funds by travelling the equivalent of the circumference of the globe. In 2021, a total of $163,000 was raised for Royal Manchester Children's Hospital Charity and Alder Hey Children's Charity.

Our fundraising for the Royal Manchester Children's Hospital Charity has helped to fund its Bone Marrow Transplant Unit for children diagnosed with leukaemia. Alder Hey, in Liverpool, cares for 330,000 children and young people every year, making it the busiest children's hospital in the UK. With EG's fundraising, they've been able to provide toys and play resources as well as a ward chef and music therapist.

OUR DONATIONS HAVE HELPED MAKE A DIFFERENCE FOR GOOD CAUSES, INCLUDING CHILDREN'S HOSPITALS

OUR COLLEAGUES FUNDRAISE FOR GOOD CAUSES AT WORK AND IN THEIR OWN TIME

THE EG FOUNDATION MAKES GRANTS TO CHARITABLE CAUSES IN THE UK

OUR PROGRESS – COMMUNITIES CONTINUED

Ronald McDonald Rally

In October 2010, the first annual Ronald McDonald classic car rally took place in the Netherlands. We've been the main sponsor since 2012. Each year, all proceeds go to the Ronald McDonald House in Zwolle, the Netherlands, which offers a second home to parents whose sick or disabled child is in the local Isala Hospital, just walking distance away. The Ronald McDonald House exists on donations, and the 100 volunteers who support families during their stay.

Villa Pardoes

For Dutch families with a seriously ill child between four and twelve years old, Villa Pardoes offers an unforgettable, unique holiday experience in Kaatsheuvel. EG Group supports Villa Pardoes by covering the cost of fuel for the car that transports the families and takes them on trips. The fuel is renewable diesel, significantly more environmentally friendly than fossil diesel. This year, we've expanded the cooperation with Villa Pardoes by placing donation boxes at the cash registers of approximately 200 of our petrol filling stations in the Netherlands.

Swim to Fight Cancer

Each September, teams collect donations for the Swim to Fight Cancer, in Amersfoort, the Netherlands, where they swim up to 2,000 metres through the inner city in the River Eem. As well as entering a company team, since 2018, EG Group has been the main sponsor of the recreational swimming event, which raises funds for scientific cancer research and prevention.

ANT Foundation

EG in Italy is supporting and fundraising for ANT Italia Foundation, a specialist home care charity for cancer patients. Every year over 10,000 people are assisted free of charge in their homes by the teams at ANT. About 500 professionals work for the foundation, supported by over 2,000 volunteers.

Long-term charity partnerships in the USA

In the USA, we have long-standing partnerships with national charities which our colleagues help to fundraise for and support year-round. In 2021, we fundraised $834,000 for the American Cancer Society, Disabled American Veterans and The United Way.

We also supported Feeding America (see page 22) and our own colleague hardship fund (see page 26).

OUR PROGRESS – ESG FUNDAMENTALS

Our ESG strategy is underpinned by our commitment to our 'ESG Fundamentals'.

We are committed to taking a responsible approach on fundamental ESG issues applicable to our business.

ENVIRONMENT

WATER

In 2021, we used 24.5 million cubic metres of water in the business. We have introduced a number of initiatives to reduce water consumption. For example, we started the rollout of automatic meter-reading devices in the UK to help monitor our water consumption on a half-hourly basis. This allows us to identify and proactively fix leaks and inefficiencies on site. We have also rolled out push-button taps and flush-control systems for urinals across our UK estate, and introduced rainwater harvesting at four of our sites.

BIODIVERSITY

We seek to enhance nature conservation on green spaces at our retail sites and head office locations. At our head office in Blackburn, we have a green roof planted with sedum and the grounds are landscaped with nature-friendly plants to promote biodiversity.

SUSTAINABLE SOURCING

We seek to work with suppliers and brand partners that share our values and commitment to responsible business. In 2022/23, we plan to incorporate sustainability considerations into the due diligence process for selecting key brand partners and suppliers. See page 32 for more on human rights and responsible sourcing.

At LEON, we have made progress in a number of areas on sustainable sourcing. All eggs are free-range and British.
To reduce plastic consumption, all plastic cutlery and straws have been replaced with biodegradable and paper alternatives. LEON is also working to reduce the carbon footprint associated with food sourcing (see page 21).

FUEL SAFETY

Our fuel tanks are monitored 24 hours a day by an external global partner to measure potential variances or losses. In addition, each site has automatic tank gauges (to detect potential leaks, losses and water ingress), and overfill protection devices (to detect high levels during delivery of product).

We have emergency response procedures and escalation processes in place in all our markets, for any potential spill or leaks. In 2021, we had one serious spill that required clean up, which was acted on and resolved promptly.

We also encourage our customers to use gloves at our forecourts, for hygiene and safety reasons. In the UK and USA we work with Grip Hero, whose gloves are manufactured in a way that reduces the volume of plastic (and carbon emissions) by 50% compared with standard gloves. All the gloves are recyclable, ensuring we minimise our impact on the environment whilst protecting our customers.

OUR PROGRESS – ESG FUNDAMENTALS CONTINUED

SOCIAL

EMPLOYEE HEALTH AND SAFETY

Keeping our colleagues and customers safe is critical to our business, and throughout the course of the pandemic we made significant investment in, and adaptations to, our operations to keep our colleagues and customers safe.

We aim for zero accidents and incidents and the Board regularly reviews our performance on health and safety. We have invested heavily in a variety of training courses, externally hosted, in-house and online, to ensure our colleagues are trained and competent to carry out tasks safely. We run regular risk assessments and audits that cover health and safety at all petrol filling stations and Foodservice sites.

We monitor health and safety incident rates formally – all incidents are logged and reported on a software system. In 2021, there were 699 work-related lost time accidents – equivalent to 1.03 per 100,000 hours worked. A total of 13,461 work days were lost as a result of these accidents. There were no work-related fatalities in 2021.

FOOD SAFETY

We aim for the highest standards of food safety and work closely with our teams and those of our brand partners to implement training and controls on food hygiene. In the UK, we have started to roll out Food Safety qualifications developed by the Royal Society for Public Health (RSPH), for managers across our Foodservice brands. In the USA, where we produce food for distribution under different EG Group brands, our Health and Safety team has responsibility for all food safety related issues.

We use a combination of internal field teams and third-party auditors to ensure that we meet all applicable USA Food and Drug Administration and Department of Agriculture food safety regulations, as well as internal requirements. In Australia, we maintain leading food safety standards in line with recognised guidelines and regulatory requirements. Internal and external audits ensure that we monitor our performance, and training is delivered to ensure we meet high standards.

Our brand partners are responsible for managing their product recalls as these fall within their supply chains, and we work closely with them to implement this in our stores. For our own proprietary food brands, we had no significant food safety recalls in 2021.

DIET AND HEALTH

We recognise that we can play a role in promoting healthier choices by offering a wider choice of healthy options at point of sale. We sell a large volume of fast food through our Foodservice and Grocery & Merchandise offering, but we are committed to extending our ranges of healthier options. For example, LEON's menu is based on the principles of the Mediterranean diet. This means it is full of plants and a variety of wholegrains, healthy fats, well-sourced meat and fish, and live cultured products. We use herbs and spices to season food rather than over-rely on salt. All LEON menus have a strong balance of vegetarian and vegan dishes, balancing out their ever-decreasing use of well-sourced meat. And, although cereals aren't bad for everyone, modern wheat production differs to ancient methods and processed carbohydrates can be difficult to digest. That's why, where possible, LEON also offers naturally gluten-free options.

HUMAN RIGHTS AND RESPONSIBLE SOURCING

We are committed to respecting and upholding human rights in line with international conventions and guidelines including the United Nations Guiding Principles on Business and Human Rights.

We do not tolerate any form of modern slavery or any abuse of human rights within our business operations, supply chains or in our business partnerships. We publish an annual report on the steps we have taken to address the risk of modern slavery, as required under the UK Modern Slavery Act and other local regulations applicable to our operating subsidiaries. Read more in our Modern Slavery Act Statement 2021.

We recently developed a Human Rights Policy Position Statement which sets out our commitment to regularly review risks and carry out due diligence to address risks. In the UK, we have a modern slavery e-learning module to raise awareness of risks among colleagues. Over 17,000 employees completed this in 2021. There were no incidents of modern slavery reported in 2021.

We expect our suppliers and business partners to align with the Ethical Trading Initiative (ETI) Base Code, an internationally recognised code of labour practices that is aligned with International Labour Organization conventions on worker rights. We will start to incorporate this expectation into new supplier and partner contracts. We also plan to incorporate sustainability considerations (including modern slavery and human rights) into the due diligence process for selecting new brand partners and key suppliers.

We have a number of our own food production sites across our proprietary food brands. We have identified these sites as an area of potential risk of modern slavery and therefore plan to carry out a number of ethical audits at a sample of food production sites in 2022/23, using the Sedex ethical audit standard.

OUR PROGRESS – ESG FUNDAMENTALS CONTINUED

GOVERNANCE

COMPLIANCE

We seek to comply with all laws and regulations and track Group-wide data on major fines, prosecutions and actions as a result of non-compliance with ESG-related regulations (over a financial threshold of $5 million). In 2021, we had one case in the USA which was settled, involving meal and rest breaks for colleagues. As a consequence, we have made improvements, including managerial training and payroll system changes.

TAX APPROACH

We have a Tax Policy which sets out our approach to tax. We observe all tax laws and regulations in all the territories in which we operate.

Our Tax Policy has four components:

- A commitment to compliance – conducting tax affairs in a way which is consistent with compliance obligations wherever we operate
- Tax risk management – through active engagement with existing and forthcoming rules and regulations, and the development of strong management functions and external input
- Commercial imperatives – we are led by our commercial objectives
- Constructive engagement with tax authorities – we continue to develop collaborative and transparent relationships with taxing authorities

See our Tax Policy for further information.

BUSINESS ETHICS

We are committed to the highest standards of business ethics. In 2022, we plan to develop a Group-wide Code of Conduct, which will set out the ethical standards we expect all our colleagues and everyone working with us to meet. We have an anti-bribery policy and we ensure colleagues complete training to understand their responsibilities and where to seek further information for support on any anti-bribery issue. We will develop a formal whistleblowing procedure and will roll out communications on this to all colleagues.

ESG-RELATED POLICY POSITION STATEMENTS

We have developed Group-wide ESG Policy Position Statements that have been approved by our Group Board. These cover:

- **Environment –** including Climate Change, Waste, Water, Biodiversity and Sustainable Sourcing
- **Social –** including People, Community, Human Rights and Modern Slavery
- **Governance –** including Business Ethics

We will regularly review and update these policies, which can be found online at www.eg.group.

DATA PROTECTION AND INFORMATION SECURITY

We are subject to regulations and data protection and privacy laws within the jurisdictions in which we operate, regarding the use of personal data, and payment card data. We secure systems and databases to our own standards and legally required measures, such as Payment Card Industry compliance. We ensure that procedures are in place to comply with data protection laws and regulations. We also have policies and procedures in place to help prevent information security breaches and carry out detailed root cause analysis on any breach that does occur, to ensure we learn from these and can stop similar occurrences arising.

In 2021, we had no reportable information security incidents and two reportable data breaches in the UK and France, which were acted on promptly, reported to the competent authority and resolved.

ESG REPORT 2021 – DATA APPENDIX

CONTENTS

ESG REPORT 2021 – DATA APPENDIX CONTINUED

ABOUT THIS REPORT AND SCOPE OF DATA

This is the first year EG Group has published a stand-alone Environment, Social and Governance (ESG) Report. It aims to provide a transparent account of our current progress and future plans. It covers our financial year 1 January to 31 December 2021.

We have collated Group-wide ESG data for the first time, which provides a baseline for future performance measurement. The quality and completeness of our data will continue to improve year on year.

To ensure our report is in line with good practice we also report to external reporting frameworks. We have taken into account the draft IFRS disclosure standards on sustainability and climate change[1], published by the International Sustainability Standards Board (ISSB). We have also included an index that covers our disclosures on the SASB reporting framework (page 54) and the UN Sustainable Development Goals (page 51).

This report also complies with most of the disclosure requirements set out by the Task Force on Climate-related Financial Disclosures (TCFD) and the IFRS climate change disclosure standard. We have included a TCFD index (page 52) and plan to include a TCFD disclosure in our Annual Report in 2023, as required under UK regulation[2].

We report on data for operations over which we have 'operational control' i.e. full authority to introduce and implement our operating policies.

We have added footnotes to the data tables on subsequent pages to explain any gaps, estimates or assumptions we have made. We have provided further details of our carbon data methodology on page 56.

We operate in ten markets and collect our ESG data from each market through an online software platform provided by an external service provider (Greenstone). We have not yet fully implemented our ESG data collection system in Italy (which accounts for just 2% of our company-owned, company-operated sites). However, we do report the following metrics for Italy: total headcount, employee engagement, health & safety, reportable data breaches and information security incidents, and estimated data for carbon emissions (Scope 1, 2 and 3), water use and food waste. We will seek to extend our data collection to include all data for Italy for our 2022 ESG Report.

During 2021, we made a number of acquisitions. Our environment data only covers any acquisitions and new sites that have been owned for the full financial year, to allow sufficient time to implement data collection processes and systems. The only exception to this is the UK data, where new businesses are included from the date of acquisition as far as possible, to align with the scope of the Streamlined Energy and Carbon Reporting in our Annual Report. Therefore, data for 2021 UK acquisitions has been included from the date of acquisition.

[1] IFRS Sustainability Disclosure Standards, Exposure Drafts, published March 2022, including IFRS S1 (General Requirements for Disclosure of Sustainability-related Financial Information) and IFRS S2 (Climate-related Disclosures)

[2] The Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022

ENVIRONMENT DATA

CARBON EMISSIONS SUMMARY

Greenhouse Gas Protocol scope	Units	2021
Scope 1	Tonnes CO_2e	43,439
Scope 2[1]	Tonnes CO_2e	290,473
Scope 3 upstream – purchased goods and services (i.e. supply chain)	Tonnes CO_2e	17,876,826
Scope 3 downstream – use of sold products (i.e. customer use of fuel)	Tonnes CO_2e	44,103,909
Scope 3 – other[2]	Tonnes CO_2e	430,105
Scope 1, 2 & 3 total	**Tonnes CO_2e**	**62,744,752**
Scope 1, 2 & 3 total relative to EBITDA	**Tonnes CO_2e per $m EBITDA**	**39,215**

[1] This is our market-based Scope 2 emissions from electricity, which takes into account the specific electricity tariffs we use. Our 50% carbon reduction target for Scope 1 and 2 is based on our market-based emissions. We also measure and report on our location-based Scope 3 emissions which is based on average electricity grid emissions factors for each country; see table on our Scope 1 and 2 carbon emissions (page 37)

[2] See separate table on our Scope 3 carbon emissions (page 38) for a breakdown of other Scope 3 categories we have measured and reported

We measure and report on our carbon footprint in line with the international greenhouse gas accounting standard developed by the Greenhouse Gas Protocol (GHG Protocol). Our data includes Scope 1, 2 and 3 emissions as defined under the GHG Protocol. See page 56 for details of our data collection methodology.

We appointed DNV Business Assurance Services UK Limited to provide a limited assurance opinion on selected carbon emissions data in this report. For details on data in scope of the assurance please see the Assurance Statement on page 59.

ENVIRONMENT DATA CONTINUED

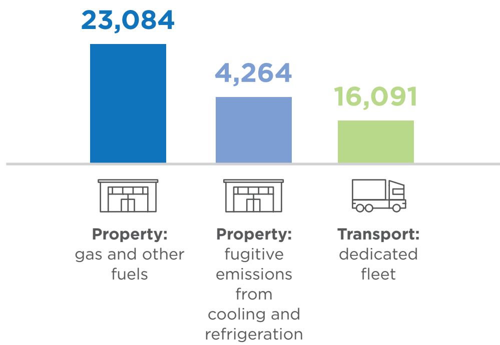
SCOPE 1 & 2 CARBON EMISSIONS – DETAIL

Greenhouse Gas Protocol scope	Units	2021
Scope 1		
Property: gas & other fuels	Tonnes CO_2e	23,084
Property: fugitive emissions from cooling & refrigeration	Tonnes CO_2e	4,264
Transport: dedicated fleet	Tonnes CO_2e	16,091
Scope 2		
Property: purchased electricity (market-based[1])	Tonnes CO_2e	290,473
Property: purchased electricity (location-based[2])	Tonnes CO_2e	267,918
Scope 1 & 2 total (market-based)	**Tonnes CO_2e**	333,912
Scope 1 & 2 total (location-based)	Tonnes CO_2e	311,357
Scope 1 & 2 total (market-based) relative to EBITDA	**Tonnes CO_2e per $m EBITDA**	209

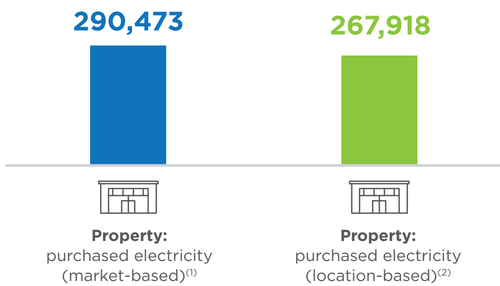
[1] This is our market-based Scope 2 emissions from electricity, which takes into account the specific electricity tariffs we use

[2] Location-based emissions are based on average electricity grid emissions factors for each country

SCOPE 1: (TONNES CO_2e)



SCOPE 2: (TONNES CO_2e)



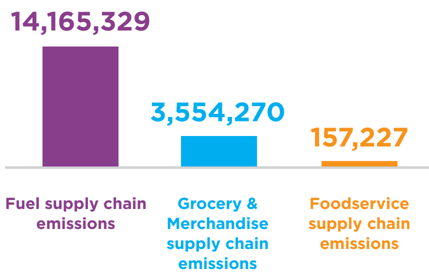
ENVIRONMENT DATA CONTINUED

SCOPE 3 CARBON EMISSIONS – DETAIL

Greenhouse Gas Protocol scope and category[1]	Units	2021
Upstream Scope 3 emissions		
Category 1: Purchased goods and services		
– Fuel	Tonnes CO_2e	**14,165,329**
– Grocery & Merchandise	Tonnes CO_2e	**3,554,270**
– Foodservice	Tonnes CO_2e	**157,227**
All purchased goods and services	Tonnes CO_2e	**17,876,826**
Category 2: Capital goods	Tonnes CO_2e	**Not available – minimal impact**
Category 3: Fuel and energy-related activities (not included in Scope 1 & 2)	Tonnes CO_2e	**11,375**
Category 4: Upstream transportation and distribution	Tonnes CO_2e	**Not available**
Category 5: Waste generated in operations	Tonnes CO_2e	**409,173**

(1) Our Scope 3 data covers the carbon emissions we consider are most material. Our most significant Scope 3 emissions are from purchased goods and services, and use of sold products i.e. customer use of fuel. See page 56 for details of our data collection methodology

SUPPLY CHAIN EMISSIONS IN TONNES CO_2e



ENVIRONMENT DATA CONTINUED

SCOPE 3 CARBON EMISSIONS – DETAIL CONTINUED

Greenhouse Gas Protocol scope and category	Units	2021
Upstream Scope 3 emissions continued		
Category 6: Business travel	Tonnes CO_2e	5,072
Category 7: Employee commuting	Tonnes CO_2e	Not available
Category 8: Upstream leased assets	Tonnes CO_2e	Not applicable
Downstream Scope 3 emissions		
Category 9: Downstream transportation and distribution	Tonnes CO_2e	Not applicable
Category 10: Processing of sold products	Tonnes CO_2e	Not applicable
Category 11: Use of sold products (i.e. customer use of fuel)	Tonnes CO_2e	44,103,909
Category 12: End-of-life treatment of sold products	Tonnes CO_2e	Not applicable
Category 13: Downstream leased assets	Tonnes CO_2e	Not applicable
Category 14: Franchises	Tonnes CO_2e	Not applicable – included in our Scope 1 and 2 emissions, and Scope 3 purchased goods and services
Category 15: Investments	Tonnes CO_2e	Not applicable
Scope 3 total	**Tonnes CO_2e**	**62,410,840**
Scope 3 relative to EBITDA	**Tonnes CO_2e per $m EBITDA**	**39,007**

ENVIRONMENT DATA CONTINUED

PROPERTY – ENERGY USE

	Units	2021
Property – total electricity purchased	GWh	731.4
Property – electricity purchased from grid electricity	GWh	718.6
Property – electricity purchased from zero carbon renewables	GWh	6.4
Property – electricity generated on site from renewables (solar PV)	GWh	6.4
Property – gas & other fuels	GWh	126.4
Property – total energy	**GWh**	**857.8**
Property – % electricity from renewables (purchased and generated on site)	**%**	**1.8**

Note: data for electricity excludes electricity purchased for customer charging of electric vehicles, where this is metered separately

857.8 GWh

Property – total energy

ENVIRONMENT DATA CONTINUED

FUGITIVE EMISSIONS (REFRIGERANTS)

	Units	2021
Leaks of refrigerant and cooling gases that have a global warming impact	kg	**17,305**

Data for refrigerant leaks has been collected for the UK and Germany. Data for other countries has been estimated based on leakage rate in UK and Germany.

CUSTOMER ELECTRIC VEHICLE CHARGING

	Units	2021
Number of sites with electric vehicle chargers	Number	**98**
Number of electric vehicle charging points	Number	**250**
Estimated carbon emissions avoided from customer electric vehicle charging	Tonnes CO_2e	**3,241**

ENVIRONMENT DATA CONTINUED

TOTAL WASTE (INCLUDING FOOD WASTE)

	Units	2021
Waste disposed to landfill	Thousand tonnes	481.9
Waste disposed to incineration	Thousand tonnes	47.4
Waste recycled	Thousand tonnes	90.9
Waste (unknown disposal)	Thousand tonnes	32.2
Total waste generated	**Thousand tonnes**	652
Recycling rate	**% of waste generated**	14%
Landfill diversion rate	% of waste generated	21%

FOOD WASTE

	Units	2021
Tonnes of food waste diverted from landfill and incineration	Thousand tonnes	25.8

ENVIRONMENT DATA CONTINUED

FOOD WASTE REDISTRIBUTED

	Units	2021
Number of bags of food saved via Too Good To Go	Number	**734,482**
Estimated tonnes of food waste saved via Too Good To Go	Tonnes	**734**
Estimated carbon emissions avoided from food waste saved via Too Good To Go	Tonnes CO_2e	**1,836**
Tonnes of food waste donated to Feeding America	Tonnes	**253**

WATER USE

	Units	2021
Water use	m^3	**24,495,935**

FUEL SPILLS

We have emergency response procedures and escalation processes in place in all our markets, for any potential spill or leaks. In 2021, we had one serious spill that required clean up, which was acted on and resolved promptly.

	Units	2021
Major spills/releases requiring clean up	Number	**1**

SOCIAL DATA

DIVERSITY AND INCLUSION

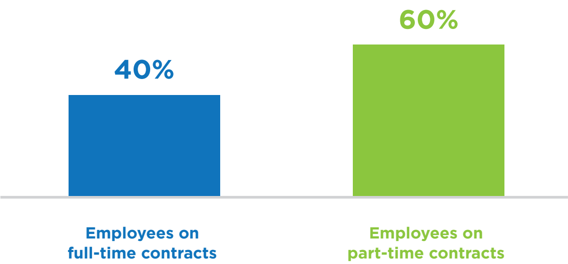
Data as at end of 2021	Units	2021
Gender diversity		
Total employees – men	%	44
Total employees – women	%	56
Senior leadership – men[1]	%	77
Senior leadership – women[1]	%	23
Executive Management – men	%	100
Executive Management – women	%	0
Board – men	%	87.5
Board – women	%	12.5

(1) This includes members of the Board, Group Executive Management, managers who report directly to any member of the Group Executive Management and senior leadership teams within each country who report to the country CEO/country manager.

	Units	2021
Ethnic diversity		
Total employees – from an ethnic minority[2]	%	19
Board – from an ethnic minority	%	50
Executive Management – from an ethnic minority	%	71
Disability		
Total employees – with a disability[2]	%	1
Age		
18 and under	%	7
19-21	%	17
22-49	%	58
50+	%	18

(2) Data on ethnic diversity and disability is based on self-declared and voluntarily shared data. Data on ethnicity is available only for our UK and USA markets.

EMPLOYEES BY TYPE OF CONTRACT



SOCIAL DATA CONTINUED

GENDER PAY GAP – UK ONLY

	Units	2021
Hourly pay		
Mean hourly pay gap	%	8.5
Median hourly pay gap	%	0
Bonus pay		
Mean bonus pay gap	%	18.3
Median bonus pay gap	%	68.5

We are committed to rewarding all our colleagues fairly for their work, and publish a UK Gender Pay Statement on our external website. In the UK, we are actively working on actions to close our gender pay gap (the average difference between remuneration for women and men). This includes monitoring the gender impact of our reward processes – a practice that plays a fundamental role in helping us to identify and improve our gender pay gap. For more information, see our UK gender pay gap report.

SOCIAL DATA CONTINUED

EMPLOYEE TURNOVER RATE[1]

	Units	2021
UK	%	**39**
France	%	**85**
Germany	%	**38**
Italy	%	**4**
Belgium	%	**38**
Netherlands	%	**35**
USA	%	**134**
Australia[2]	%	**53**

[1] Data covers all employees who left (including voluntary and involuntary leavers) across all our sites (retail sites, offices and other locations)
[2] Twelve months from July 2021 to June 2022

EMPLOYEE ENGAGEMENT SURVEY

	Units	2021
Number of respondents to our employee engagement survey	Number	**16,265**
Employee engagement score	%	**62%**

SOCIAL DATA CONTINUED

EMPLOYEE TRAINING

	Units	2021
Employee training hours	Number	**2,312,186**
Number of apprenticeships (UK)	Number	**189**
Number of apprenticeships (Germany)	Number	**119**

EMPLOYEE ACCIDENTS

	Units	2021
Fatalities		
Work-related fatalities	Number	**0**
Accidents		
Work-related lost time accidents	Number	**699**
Work days lost as a result of lost time accidents	Number	**13,461**
Rate for work-related lost time accidents	Number per 100,000 hours worked	**1.03**

SOCIAL DATA CONTINUED

COMMUNITY BENEFICIARIES[1]

	Units	2021
Number of organisations that benefited from EG community contributions	Number	11

CHARITABLE GIVING[1]

	Units	2021
Value of fundraising	$ thousand	1,000

EG FOUNDATION – UK ONLY

	Units	2021
Number of grants made	Number	11
Total value of grants made	$ thousand	299

(1) This data excludes the EG Foundation activity (see separate table for EG Foundation)

SOCIAL DATA CONTINUED

FOOD SAFETY RECALLS

	Units	2021
Number of significant own-brand food safety recalls	Number	0

HUMAN RIGHTS

	Units	2021
Number of employees that have completed EG compliance training on modern slavery/ human rights	Number	17,445
Number of incidents of modern slavery	Number	0

GOVERNANCE DATA

ESG-RELATED COMPLIANCE

We seek to comply with all laws and regulations and track Group-wide data on major fines, prosecutions and actions as a result of non-compliance with ESG-related regulations. In 2021, we had one case in the USA which was settled, involving meal and rest breaks for colleagues. As a consequence, we have made improvements, including managerial training and payroll system changes.

	Units	2021
Major non-compliances with ESG regulations[1]	Number	1

[1] These are fines, prosecutions and regulatory actions over a financial threshold of $5 million, and for human rights issues no threshold is used

DATA PROTECTION AND INFORMATION SECURITY

We are subject to regulations and data protection and privacy laws within the jurisdictions in which we operate, regarding the use of personal data, and payment card data. In 2021, we had no reportable information security incidents and two reportable data breaches in the UK and France, which were acted on promptly, reported to the competent authority and resolved.

	Units	2021
Reportable information security incidents	number	0
Reportable data breaches	number	2

UN SUSTAINABLE DEVELOPMENT GOALS INDEX

The 17 UN Sustainable Development Goals (SDGs) provide a framework for governments, business and civil society to work together to end poverty, fight inequality and tackle climate change by 2030.

The table below shows our ESG targets and the specific SDGs they contribute to.

Our ESG targets	Sustainable Development Goals we contribute to
PLANET	
Climate change • Reduce our operational carbon footprint (Scope 1 & 2) by at least 50% by 2030 (vs 2021). We will develop a reduction roadmap for this in 2022/23 • Develop a carbon reduction target for our products and supply chain (Scope 3) in 2023/24 • Expand our lower-carbon mobility offering, including electric vehicle charging	7 AFFORDABLE AND CLEAN ENERGY 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 13 CLIMATE ACTION
Waste • Aim to increase our landfill diversion rate year on year, from 21% in 2021	11 SUSTAINABLE CITIES AND COMMUNITIES 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
COLLEAGUES	
Diversity & inclusion • Develop a Diversity and Inclusion Plan in each of our operating markets • Increase percentage of women in senior leadership positions[1] from 23% in 2021 to at least 40% in 2025	5 GENDER EQUALITY 10 REDUCED INEQUALITIES
Employee engagement • Improve the engagement score in our employee survey year on year, from 62% in 2021	8 DECENT WORK AND ECONOMIC GROWTH
Training & development • Ensure every colleague has access to training and development opportunities • Create 500 apprenticeships by 2025	8 DECENT WORK AND ECONOMIC GROWTH 10 REDUCED INEQUALITIES
COMMUNITIES	
Community • Extend our community programmes across all our operating markets • Start to roll out our volunteering policy – allowing colleagues two paid days a year to volunteer for good causes	1 NO POVERTY 3 GOOD HEALTH AND WELL-BEING 4 QUALITY EDUCATION

[1] This includes members of the Board, Group Executive Management, managers who report directly to any member of the Group Executive Management and senior leadership teams within each country who report to the country CEO/country manager

TCFD INDEX

The following table summarises our disclosure under requirements set out by the Task Force on Climate-related Financial Disclosures (TCFD).

We plan to include a TCFD disclosure in our Annual Report in 2023, as required under UK regulation[1].

TCFD requirement	Summary of our approach	Further details
GOVERNANCE		
A) BOARD OVERSIGHT Describe the board's oversight of climate-related risks and opportunities.	Our Group Board, which includes three Non-Executive Directors, provides ultimate oversight of ESG issues, including climate change.	ESG governance, page 9
B) MANAGEMENT'S ROLE Describe management's role in assessing and managing climate-related risks and opportunities.	Our Co-CEOs, Mohsin Issa and Zuber Issa, together with our Executive Management team, have overall responsibility for our ESG strategy and performance, including on climate change.	ESG governance, page 9
STRATEGY		
A) RISKS AND OPPORTUNITIES Describe the climate-related risks and opportunities the company has identified over the short, medium and long term.	We have identified key climate-related risks and opportunities associated with both the products we sell and our own operations, including transition risks arising from regulation and societal trends, as well as physical risks.	Climate change risk, pages 11 and 12
B) IMPACT ON ORGANISATION Describe the impact of climate-related risks and opportunities on the company's businesses, strategy and financial planning.	We have started to identify financial impacts of key climate-related risks. We have also provided further insights into the market opportunity for lower-carbon mobility, including electric vehicles.	Climate change risk, pages 11 and 12 Market opportunity for EV charging and lower-carbon mobility, pages 13 and 14
C) RESILIENCE OF STRATEGY Describe the resilience of the company's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	We have disclosed our approach to mitigating climate change risks and future opportunities. In 2022/23 we plan to carry out further analysis on different climate change scenarios and how these affect our business.	Climate change risk, pages 11 and 12

[1] The Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022

TCFD INDEX CONTINUED

TCFD requirement	Summary of our approach	Further details
RISK MANAGEMENT		
A) RISK IDENTIFICATION AND ASSESSMENT PROCESSES Describe the company's processes for identifying and assessing climate-related risks.	We regularly review risks and opportunities as part of our overall governance controls. The Audit & Risk Committee and the Board review, update and approve our Group risk register. This identifies climate change as a key strategic risk for the business. The climate risk section (page 11) provides further details of our approach to climate risk management.	Annual Report, page 51 Material ESG issues, page 6 Climate change risk, pages 11 and 12
B) RISK MANAGEMENT PROCESSES Describe the company's processes for managing climate-related risks.	We manage climate-related risks and opportunities as part of our ESG strategy. We have identified climate change as our main ESG priority and have collected Group-wide data, including emissions data, for the first time in 2021 so we can track our progress over time.	ESG strategy and targets, page 7 Climate change progress, pages 15 to 21
C) INTEGRATION INTO OVERALL RISK MANAGEMENT Describe how processes for identifying, assessing and managing climate-related risks are integrated into the company's overall risk management.	We have identified climate change as a key strategic risk for our business. Therefore, it is integrated into our overall risk register and risk management processes. See the risk section of our 2021 Annual Report for further details.	Annual Report, page 53
METRICS AND TARGETS		
A) CLIMATE-RELATED METRICS Disclose the metrics used by the company to assess climate-related risks and opportunities in line with its strategy and risk management process.	We collected Group-wide data on climate-related metrics for the first time in 2021 so we can track our progress over time. This includes emissions from our own operations as well as emissions associated with the products we sell (including upstream emissions from our suppliers and downstream emissions from customer use of fuel).	Climate change progress, pages 15 to 21 Data appendix, pages 36 to 41
B) SCOPE 1, 2 AND 3 GHG EMISSIONS Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	We report Scope 1 & 2 emissions and significant Scope 3 emissions.	Data appendix, pages 36 to 41
C) CLIMATE-RELATED TARGETS Describe the targets used by the company to manage climate-related risks and opportunities and performance against targets.	Our target is to reduce our operational carbon footprint (Scope 1 & 2) by at least 50% by 2030 (vs 2021). We will develop a reduction roadmap for this in 2022/23. We will develop a carbon reduction target for our products and supply chain (Scope 3) in 2023/24.	ESG strategy and targets, page 7

SASB INDEX

We aim to align our reporting with best practice standards, including the standards developed by the international Sustainability Accounting Standards Board (SASB). We report against the Oil & Gas standard, which is most relevant to EG Group's fuel sales, in the table below.

OIL & GAS – REFINING AND MARKETING SUSTAINABILITY ACCOUNTING STANDARD

The SASB Refining and Marketing standard is applicable to companies in both the fuel retail sector and oil & gas refining sector.

EG Group does not have any refineries and therefore we have only included the metrics below that are applicable to EG Group as a fuel retailer.

SASB metric	SASB code	Summary of our data	Further details
GREENHOUSE GAS EMISSIONS			
Gross global Scope 1 emissions (tonnes CO_2e), percentage covered under emissions-limiting regulations.	EM-RM-110a.1	We report Scope 1 emissions in our Planet section (climate change progress) and Data Appendix. We do not report % covered under emissions-limiting regulations, but this is not material since we do not have refineries.	Climate change progress, page 16 Data appendix, pages 36 and 37
Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets.	EM-RM-110a.2	We have set a target to reduce our Scope 1 and 2 emissions by 50% by 2030 (from 2021). This is the first year we have collected Group-wide data on our carbon footprint and we will report progress against our target next year.	
WATER MANAGEMENT			
(1) Total fresh water withdrawn (2) Percentage recycled (3) Percentage in regions with High or Extremely High Baseline Water Stress	EM-RM-140a.1	24.5 million m^3 total water use. We do not report on % recycled or according to regions of water stress.	Water, page 31 Data appendix, page 43
Number of incidents of non-compliance associated with water quality permits, standards and regulations.	EM-RM-140a.2	We report major non-conformances of ESG regulations.	ESG compliance page 33 Data appendix, page 50
HAZARDOUS MATERIALS MANAGEMENT			
Amount of hazardous waste generated, percentage recycled.	EM-RM-150a.1	We report the % of all waste that is recycled (but not the amount or % of hazardous waste recycled).	Waste, page 22 Data appendix, page 42
(1) Number of underground storage tanks (USTs) (2) Number of UST releases requiring clean up (3) Percentage in states with UST financial assurance funds	EM-RM-150a.2	One major spill requiring clean up. SASB metric 3 is specific to the USA and is not applicable across our ten operating markets.	Fuel safety, page 31

SASB INDEX CONTINUED

OIL & GAS – REFINING AND MARKETING SUSTAINABILITY ACCOUNTING STANDARD CONTINUED

SASB metric	SASB code	Summary of our data	Further details
WORKFORCE HEALTH & SAFETY			
(1) Total recordable incident rate (TRIR) (2) Fatality rate (3) Near miss frequency rate (NMFR) for (a) full-time employees and (b) contract employees	EM-RM-320a.1	1.03 lost time accidents per 100,000 hours worked. No fatalities. We record near misses in our internal health & safety reporting system but do not report this externally.	Health & safety, page 32 Data appendix, page 47
Discussion of management systems used to integrate a culture of safety.	EM-RM-320a.2	We have a commitment to zero accidents and incidents and the Board regularly reviews performance on health and safety. Our health and safety management systems are designed to embed a culture of safety through risk assessment, audit, training and performance monitoring.	
PRICING INTEGRITY & TRANSPARENCY			
Total amount of monetary losses as a result of legal proceedings associated with price fixing or price manipulation.	EM-RM-520a.1	We report major non-conformances of ESG regulations.	ESG compliance, page 33
CRITICAL INCIDENT RISK MANAGEMENT			
Process Safety Event (PSE) rates for Loss of Primary Containment (LOPC) of greater consequence (Tier 1) and lesser consequence (Tier 2).	EM-RM-540a.1	We report major fuel spills/releases requiring clean up. These SASB metrics are specific to the USA and are not applicable across our ten operating markets.	Fuel safety, page 31 Data appendix, page 47
Challenges to Safety Systems indicator rate (Tier 3).	EM-RM-540a.2		
Discussion of measurement of Operating Discipline and Management System Performance through Tier 4 indicators.	EM-RM-540a.3		

Note: we have not reported against the following metrics since they are primarily related to refining activities and are therefore not applicable to EG Group:

- Air Quality metrics: EM-RM-120a.1; EM-RM-120a.2
- Product Specifications & Clean Fuel Blends metrics: EM-RM-410a.1; EM-RM-410a.2
- Activity metrics on refining: EM-RM-000.A; EM-RM-000.B

CARBON DATA – OUR METHODOLOGY

We report our greenhouse gas (GHG) emissions in line with the three scopes defined under the WRI/WBCSD Greenhouse Gas Protocol (GHG Protocol).

- Scope 1 (direct emissions)
- Scope 2 (indirect emissions)
- Scope 3 (other indirect emissions)

Our carbon emissions are reported as carbon dioxide equivalent (CO_2e) and therefore include the seven main greenhouse gases that contribute to climate change: carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF_6) and nitrogen trifluoride (NF_3).

ORGANISATIONAL BOUNDARY

We use an operational control boundary, in line with the operational control approach as defined by the WRI/WBCSD GHG Protocol. This means that our site-based data (including energy, waste and water use) covers all our company-operated sites and excludes sites that are dealer operated.

EMISSION FACTORS

We calculate our CO_2e emissions from government emissions factors (where available) including emissions factors published by DEFRA/BEIS for the UK, EPA for the USA, NGA for Australia and SEAI for Ireland. For locations where country-specific emissions factors are not available, we use emissions factors from other sources including the IEA, GHG protocol or DEFRA/BEIS.
We provide further details below on the emissions factors applied for specific data areas.

SCOPE 1 & 2 DATA METHODOLOGY

PROPERTY ENERGY

Our property energy data covers our retail sites. It includes electricity, gas and other fuels including propane and crude oil.

We report CO_2e emissions from gas and other fuels under our Scope 1 data and CO_2e emissions from electricity under our Scope 2 data. Where electricity for customer electric vehicle (EV) charging is separately metered, we report this under our Scope 3 emissions.

Energy data is recorded from meter readings or invoices. Estimates are made if data is not available for specific sites, based on energy consumption at similar sites. If there are gaps for specific months, estimates are made based on previous periods.

We use the following carbon emissions factors:

- Electricity (location-based) – our location-based emissions from electricity are calculated using country-specific emission factors where available, based on the different energy mixes used to generate electricity in each country (i.e. grid average emissions factors). These include emissions factors published by DEFRA/BEIS for the UK, EPA for the USA, NGA for Australia and SEAI for Ireland. For all our other countries, we obtain the emissions factors from the IEA (source: IEA Emissions Factors, 2021 edition)
- Electricity (market-based) – our market-based emissions from electricity take into account the specific electricity tariffs we use where we buy renewable electricity. Renewable electricity is calculated using a zero emissions factor. We only count renewable energy tariffs that have a Guarantee of Origin. Our Scope 1 & 2 carbon target is based on our market-based emissions

  For other tariffs, we have followed the approach set out in the GHG Protocol Scope 2 Guidance to use the residual mix emissions factor for countries where this is available or the location-based emissions factor (if there are no residual mix factors available). We have used residual mix emissions factors for the UK, Europe and the USA. It should be noted that the residual mix emissions factors do not count the renewable electricity that contributes to the grid average electricity mix. Therefore our market-based emissions are currently higher than our location-based emissions since they only take into account the renewable electricity we generate on site or directly purchase through Guarantees of Origin (1.8% of our current electricity). However, our market-based emissions will fall over time as we seek to increase the proportion of electricity we procure from renewable sources
- Gas & other fuels – we use emissions factors from national government sources where available, including DEFRA/BEIS for the UK, EPA for the USA, NGA for Australia and SEAI for Ireland. Where national factors are not available, we use the emissions factors from the GHG Protocol. We use the 'gross' calorific value (higher heating value) for gas and other fuels where there is an option to use 'gross' or 'net' values

Country scope of data:

- Energy data has been collected across our markets except for Italy. The data for Italy has been estimated based on energy consumption in our other markets

CARBON DATA – OUR METHODOLOGY CONTINUED

FUGITIVE EMISSIONS (REFRIGERANTS)

We report CO_2e emissions from leaks of refrigerant gases under our Scope 1 data. Our data on refrigerants covers gases used in cooling systems at our sites, including fridges, freezers and air conditioning units. It does not include refrigerant gases used in a small number of dedicated vehicles that are refrigerated.

Refrigerants are contained in sealed systems but tops-up are required where there are leaks. We therefore measure leaks based on the amount of refrigerant gases that are added to our equipment. We don't count any gases added to new equipment or gases that are replaced when the old gas is recovered.

We use specific carbon emissions factors for different refrigerant gases. These are obtained from the IPCC's Fourth Assessment Report (AR4).

Country scope of data:

- Data for refrigerant leaks has been collected for the UK and Germany. Data for other markets has been estimated based on the leakage rate in the UK and Germany

DEDICATED FLEET

We report CO_2e emissions from dedicated fleet vehicles under our Scope 1 data.

We calculate the emissions based on fuel use (from fuel cards) or distance travelled by type of vehicle (if fuel use is unavailable). The carbon emissions factors from fuel or distance are obtained from national government sources where available, including DEFRA/BEIS for the UK and EPA in the USA. Where national factors are not available, we use the emissions factors from the GHG Protocol.

Country scope of data:

- We have dedicated fleet vehicles in France (for fuel distribution), the USA (for food distribution) and the UK (for Cooplands store deliveries). Data has been collected from France and the USA

SCOPE 3 DATA METHODOLOGY

We report our Scope 3 data according to the 15 Scope 3 categories set out in the GHG Protocol. We report emissions for the categories we consider are most material to our business. These are Category 1 (purchased goods and services) and Category 11 (use of sold products). We also report data for Categories 3 (fuel and energy-related activities that are not covered in Scope 1 and 2), Category 5 (waste) and Category 6 (business travel).

We have indicated the categories which are not applicable to our business and those we don't collect data for in our Scope 3 data table (page 38).

CATEGORY 1: PURCHASED GOODS AND SERVICES

Our data on CO_2e from purchased goods and services is an estimate based on the following data:

- For fuel purchases, we have used actual data on litres of fuel sold to customers (since this is closely aligned with the litres of fuel we purchased from suppliers) and applied emissions factors for 'well-to-tank' emissions from fuels sold, including petrol, diesel, biodiesel, HVO, LPG, gas oil and aviation turbine fuel. We used the well-to-tank emission factors published by DEFRA for the UK, EPA for the USA and NGA for Australia. Where national factors are not available, we use the emissions factors from the GHG Protocol
- For other purchases, we have used financial data on cost of goods sold (COGS) and applied emissions factors based on COGS. For COGS relating to Foodservice, we used the DEFRA COGS emission factors for 'Hotels, catering and pubs' (latest emission factors available are for 2012). For COGS relating to Grocery & Merchandise, we used the US WIOD COGS emissions factors for 'Food, Beverages & Tobacco' (latest emission factors available are for 2009)

Country scope of data:

- Data on fuel purchases and COGS has been collected across all our markets

CATEGORY 3: FUEL AND ENERGY-RELATED ACTIVITIES

(NOT INCLUDED IN SCOPE 1 & 2)

Our data on CO_2e from fuel and energy-related activities covers:

- Emissions from electricity transmission and distribution losses. We have used electricity data (see Scope 2 section) and applied emissions factors for transmission and distribution losses published by DEFRA for the UK and the IEA for other locations
- Well-to-tank emissions from property fuel use. We have used data on gas and other fuels (see Scope 1 section) and applied emissions factors for well-to-tank emissions published by DEFRA for the UK and NGA for Australia. Where national factors are not available, we use the emissions factors from the GHG Protocol

Country scope of data:

- See section on property energy

CARBON DATA – OUR METHODOLOGY CONTINUED

CATEGORY 5: WASTE GENERATED IN OPERATIONS

Our data includes CO_2e from waste and water use.

Our CO_2e from waste is calculated from tonnes of waste and recycling, using emissions factors from DEFRA. Although these are specific to the UK, we have used them across all countries as they are the most comprehensive and reliable.

Where possible, we have used actual data on tonnes of waste and recycling that has been recorded by our waste contractors. However, in cases where our contractors do not weigh the waste, we have made estimates based on the volume of waste (calculated from the size of waste disposal containers and the number of disposals in the reporting period). It should be noted that our waste data covers day-to-day operational waste from our own operations. It does not include waste arising from major construction or refurbishment projects or in-store collections of customer batteries/electrical items or deposit return schemes for bottles.

Our CO_2e from water is calculated from mains water use and we have also used the UK emissions factors from DEFRA across all countries. Where possible, we have used data recorded from meter readings or invoices. In countries where we collect data but have some gaps, we have made estimates based on water consumption at similar sites. If there are gaps for specific months, estimates have been made based on previous periods.

Country scope of data:

- Waste data has been collected across our markets (which includes some estimates) except for Italy. Food waste in Italy has been estimated based on data for other markets
- Water consumption data has been collected across our markets except for France, Germany and Italy. Data for France, Germany and Italy has been estimated based on the water consumption in our other markets

CATEGORY 6: BUSINESS TRAVEL

Our Scope 3 data covers CO_2e emissions from business travel using leased vehicles and employee-owned vehicles.

We calculate the emissions based on fuel use (from fuel cards) or distance travelled by type of vehicle (if fuel use is unavailable). The carbon emissions factors from fuel or distance are obtained from national government sources where available, including DEFRA/BEIS for the UK and EPA for the USA. Where national factors are not available, we use the emissions factors from the GHG Protocol.

We do not yet include data on other business travel including taxis, hire cars, air or rail journeys.

Country scope of data:

- Business travel data has been collected across all our markets

CATEGORY 11: USE OF SOLD PRODUCTS (I.E. CUSTOMER USE OF FUEL)

Our data on use of sold products covers the CO_2e emissions arising from customer use of fuel purchased from us. The data is calculated from the litres of fuel we sell to customers, using emissions factors for the different types of fuel we sell, including petrol, diesel, biodiesel, HVO, LPG, gas oil and aviation turbine fuel.

The carbon emissions factors from fuel are obtained from national government sources where available, including DEFRA/BEIS for the UK, EPA for the USA, NGA for Australia and SEAI for Ireland. Where national factors are not available, we use the emissions factors from the GHG Protocol.

Most of the petrol and diesel we sell contains some biofuel, in line with regulatory obligations. For the UK, we have used DEFRA/BEIS emissions factors for petrol and diesel which take into account the average amount of biofuel that is blended into petrol and diesel in UK forecourts. In other countries, the emissions factors for petrol and diesel do not take into account the biofuel content required by regulation and this means that our carbon emissions outside of the UK do not take into account the carbon savings from biofuels.

Country scope of data:

- Data on customer use of fuel has been collected across all our markets

INDEPENDENT LIMITED ASSURANCE REPORT

to EG Group

EG Group ("EG") commissioned DNV Business Assurance Services UK Limited ("DNV", "us" or "we") to conduct a limited assurance engagement over Selected Information presented in their 2021 ESG Report (the "Report") for the reporting year 1 January 2021 to 31 December 2021.

OUR CONCLUSION

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Selected Information is not fairly stated and has not been prepared, in all material respects, in accordance with the Criteria.

This conclusion relates only to the Selected Information, and is to be read in the context of this Independent Limited Assurance Report, in particular the inherent limitations explained overleaf.

OUR COMPETENCE, INDEPENDENCE AND QUALITY CONTROL

DNV established policies and procedures are designed to ensure that DNV, its personnel and, where applicable, others are subject to independence requirements (including personnel of other entities of DNV) and maintain independence where required by relevant ethical requirements. This engagement work was carried out by an independent team of sustainability assurance professionals. Our multi-disciplinary team consisted of professionals with a combination of environmental and sustainability assurance experience.

OUR OBSERVATIONS

Our observations and areas for improvement will be raised in a separate report to EG's Management. Selected observations are provided below. These observations do not affect Our Conclusion set out to the left.

- The data collection and consolidation of source data predominantly relied on manual entry into spreadsheets, prior to input into the reporting tool. An internal check of manual inputs and formal sign-off of data would improve the robustness of data and help capture material discrepancies prior to independent assurance.
- For the reporting of energy consumption, EG manually reconciled their large portfolio of sites in scope with their third-party data provider. In order to reduce the risk of incomplete data, we recommend that EG and their third-party provider use unique property reference numbers to periodically enable formulaic reconciliations.
- We observed gaps in the KPI data for several countries, which required estimations to improve the completeness of reported data. We recommend that EG conduct a country-level GAP analysis before the next reporting cycle to identify any material data gaps and reduce the requirement for estimations.

SELECTED INFORMATION

The scope and boundary of our work is restricted to the indicators listed below, which are included within the Report for the 2021 reporting year, 1 January 2021 to 31 December 2021 (the "Selected Information"), covering the selected countries and sites detailed in the "Scope and Boundary of Work" on page 61:

- Scope 1 GHG emissions:
  - Fugitive emissions (refrigerants and cooling) (tCO_2e)
  - Natural Gas (tCO_2e)
- Scope 2 GHG emissions:
  - Purchased electricity (location based) (tCO_2e)
  - Purchased electricity (market based) (tCO_2e)
  - Percentage from renewable sources (%)

To assess the Selected Information, which includes an assessment of the risk of material misstatement in the Report, we have used EG's Carbon Data Methodology (the "Criteria"), which can be found on pages 56 to 58.

We have not performed any work, and do not express any conclusion, on any other information that may be published in the Report or on EG's website for the current reporting period or for previous periods.

INDEPENDENT LIMITED ASSURANCE REPORT CONTINUED

DNV

STANDARD AND LEVEL OF ASSURANCE

We performed a limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 Revised – 'Assurance Engagements other than Audits and Reviews of Historical Financial Information', issued by the International Auditing and Assurance Standards Board. This standard requires that we comply with ethical requirements and plan and perform the assurance engagement to obtain limited assurance.

DNV applies its own management standards and compliance policies for quality control, in accordance with ISO/IEC 17021-1:2015 – Conformity Assessment Requirements for bodies providing audit and certification of management systems, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement; and the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. We planned and performed our work to obtain the evidence we considered sufficient to provide a basis for Our Conclusion, so that the risk of this conclusion being in error is reduced but not reduced to very low.

BASIS OF OUR CONCLUSION

We are required to plan and perform our work in order to consider the risk of material misstatement of the Selected Information; our work included, but was not restricted to:

- Conducting remote interviews with EG management to obtain an understanding of the key processes, systems and controls in place to generate, aggregate and report the Selected Information;
- Conducting remote interviews with contractors to EG that manage different data on their behalf;
- Performing limited substantive testing on a selective basis of the Selected Information to check that data had been appropriately measured, recorded, collated and reported;
- Reviewing that the evidence, measurements and their scope provided to us by EG for the Selected Information is prepared in line with the Criteria;
- Assessing the appropriateness of the Criteria for the Selected Information; and
- Reading the Report and narrative accompanying the Selected Information within it with regard to the Criteria.

DNV BUSINESS ASSURANCE SERVICES UK LIMITED

London, UK

10 October 2022

DNV

INHERENT LIMITATIONS

All assurance engagements are subject to inherent limitations as selective testing (sampling) may not detect errors, fraud or other irregularities. Non-financial data may be subject to greater inherent uncertainty than financial data, given the nature and methods used for calculating, estimating and determining such data. The selection of different, but acceptable, measurement techniques may result in different quantifications between different entities. Our assurance relies on the premise that the data and information provided to us by EG have been provided in good faith. DNV expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Assurance Statement.

RESPONSIBILITIES OF THE DIRECTORS OF EG AND DNV

The Directors of EG have sole responsibility for:

- Preparing and presenting the Selected Information in accordance with the Criteria;
- Designing, implementing and maintaining effective internal controls over the information and data, resulting in the preparation of the Selected Information that is free from material misstatements;
- Measuring and reporting the Selected Information based on their established Criteria; and
- Contents and statements contained within the Report and the Criteria.

Our responsibility is to plan and perform our work to obtain limited assurance about whether the Selected Information has been prepared in accordance with the Criteria and to report to EG in the form of an Independent Limited Assurance Conclusion, based on the work performed and the evidence obtained. We have not been responsible for the preparation of the Report.

DNV BUSINESS ASSURANCE

DNV Business Assurance Services UK Limited is part of DNV – Business Assurance, a global provider of certification, verification, assessment and training services, helping customers to build sustainable business performance. www.dnv.co.uk/BetterAssurance

INDEPENDENT LIMITED ASSURANCE REPORT CONTINUED

DNV

SCOPE AND BOUNDARY OF WORK

Scope and boundary of our work → Country data assured[1] ↓	Scope 1 GHG emissions		Scope 2 GHG emissions		
	Natural gas (tCO_2e)	Fugitive emissions (tCO_2e)	Electricity (location based) (tCO_2e)	Electricity (market based) (tCO_2e)	Percentage from renewable sources (%)
Australia – COCO[2] sites	n/a	(extrapolated)	✓	✓	✓
Benelux[3] – COCO[2] sites	✓ (Lux – n/a)	(extrapolated)	✓	✓	✓
France – COCO[2] sites	n/a	(extrapolated)	✓	✓	✓
Germany – COCO[2] sites	✓	✓	✓	✓	✓
Ireland – COCO[2] sites	n/a	✓	✓	✓	✓
UK – COCO[2] sites	✓ (LEON – n/a)	(LEON and Cooplands extrapolated)	✓	✓	✓
USA – COCO[2] sites	✓	(extrapolated)	✓	✓	✓

(1) EG reports on sites over which it has operational control. This represents 65% of total sites (total site numbers can be found on page 29 of the 2021 Annual Report and Financial Statements)

(2) COCO: Company owned, company operated

(3) Benelux: Belgium, Netherlands and Luxembourg

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