Environment, Social and Governance (ESG) Report
2023

2023

What's in our report...

ESG report 2023

Data appendix

Our ESG priorities

Planet

See page 13

Colleagues

See page 23

Communities

See page 29

Introduction from the Chairman

2023 has been a challenging year globally, from geopolitical unrest to economic uncertainty. Against this backdrop, businesses must remain focused on areas within their control and in delivering for their stakeholders.

At EG Group, we aim to deliver a positive impact across the markets in which we operate, through our workforce, products, supply chains and wider communities. While the global backdrop has been constantly shifting over the past few years, we remain guided by our core values and have made tangible progress on our Environment, Social and Governance journey.

This is our third annual ESG Report, which sets out our performance and progress against our ESG strategy and targets.

Not only have we put in place structures and processes to embed ESG into the business, we have also started to implement actions to improve across a number of fronts, including colleague engagement, training and development, and waste recycled – all of which have improved in 2023.

Our commitment to supporting communities has always been at the core of how we operate. In 2023, we supported 64 community and charitable organisations, and invested a total of $3m in charitable causes, of which $2.8m was fundraised by our generous colleagues and customers.

Colleagues across the entire business should be proud of the steps they have taken and the progress we have made so far to strengthen our business. Across the majority of our ESG targets, we are either on schedule or ahead of schedule. Of course, we will continue to take action to improve where further work is needed and will be accountable for progress through our open and honest reporting.

From a Board perspective, we remain committed to leading from the top, and in 2023 Board members undertook training on ESG – covering areas such as investor expectations on ESG and climate risks. This built on the work we did with the Cambridge Institute for Sustainability Leadership in 2022 which provided ESG training for the Board and senior leadership.

To help ensure we are prepared for upcoming ESG regulations, we expanded our ESG team in 2023. We now have ESG Managers across key global markets to ensure that we embed ESG into our business operations at a local, practical level, including at our sites.

We recognise our role in reducing emissions as the world moves towards a lower-carbon future. We have set out how we will halve operational emissions by 2030 (vs 2021) and now need to ensure we have the resources in place to achieve this.

Further, in 2024, we have been working to develop a scope 3 target that will consider emissions from our products and supply chains. We continue to develop our mobility strategy which includes an increase in electric vehicle charging points, and have already made investments in alternative fuels such as hydrogen refuelling.

It is heartening to see progress across so many areas in the business in a short space of time. I would like to thank all of our colleagues for their commitment. I look forward to seeing EG Group make further strides as it continues its sustainability journey in 2024.

Lord Stuart Rose
Chairman

It is heartening to see progress across so many areas in the business in a short space of time

Introduction from the Co-Chief Executive Officers

2023 was a busy year for EG Group, as we delivered on a number of strategic priorities which have laid the foundations for our future success. Throughout, we have remained committed to delivering our business strategy in the most ethical and responsible way possible.

We are pleased with the progress made in 2023 against our ESG objectives. We are not complacent however, and the business remains committed to improving performance over time having set out in 2022 our ESG strategy and targets, with a focus on three areas: Planet, Colleagues and Communities.

Planet

To help prepare for a transition to a lower-carbon future, we continue to diversify our product offering. We now have 578 electric vehicle charging points that enable customers to reduce their carbon footprint. Our landmark deal to procure chargers from Tesla in 2023, meant we were the first in Europe to arrange such a deal and is testament to our commitment in this space.

We also continue to distribute Neste MY Renewable Diesel™ to business customers.

To reduce the carbon footprint from our own operations, we now have solar panels at more than 200 sites, and more heat pumps than ever before. In 2024, we plan to continue to increase the amount of electricity we buy from renewable sources.

As well as improving our recycling rate in 2023, we have distributed almost half a million meals to Feeding America, as well as 1.5m surprise bags of food to customers via our partnership with Too Good To Go.

Colleagues

We recognise that our business success relies on the dedication and hard work of our colleagues. We aim to provide a culture where everyone working at EG can develop, progress and share our success. In 2023, we delivered 2.1m training hours for colleagues, offered a range of practical resources to support colleague wellbeing, and we regularly review pay and benefits to ensure these remain fair.

Our colleagues come from all walks of life, and we aim to provide an inclusive environment for all. Whilst we have room to improve the proportion of women in senior leadership, our business performs highly in benchmarks in other areas including 50% of the Board coming from an ethnic minority background.

We are pleased that our 2023 colleague engagement score improved to 70%. Although the survey did not cover our UK market which underwent significant business changes, we plan to repeat the survey across all markets and expect that we will see further improvements.

Communities

Our colleagues are passionate about giving back to their communities. In 2023, $2.8m was fundraised by our colleagues and customers for a wide range of good causes including disaster relief, support for disadvantaged communities, and health and children's charities.

With a volunteering policy set to be rolled out in the USA in 2024, we expect to have even greater positive impacts in the community in future.

Looking ahead

We are incredibly proud of all that has been achieved at EG Group and want to put on record our thanks to all those we have worked with over the years. We remain committed to achieving our ESG ambitions, which we know will be critical to the overall success of EG Group in the years ahead.

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

> We remain committed to delivering our business strategy in the most ethical and responsible way possible

About EG Group

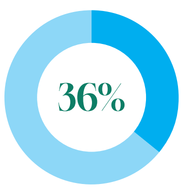
45,217 Colleagues[(1)]

5,943 Sites[(1),(2)]

9 Markets[(3)]

Our key business streams:

Grocery & Merchandise

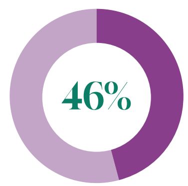


of Group gross profit

Foodservice

of Group gross profit

Fuel



of Group gross profit

(1) As at December 31, 2023.

(2) Total number of sites comprises of 5,301 PFS locations and 642 standalone Foodservice/Grocery & Merchandise locations. Across these sites are 1,182 Foodservice outlets.

(3) As at May 2024.

Our purpose:

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

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.

Our values:

- Support local communities and empower individuals to grow, contribute and succeed
- Awareness and commercial responsiveness to market trends and consumer demands
- Committed to investing in people, infrastructure and systems to build a sustainable business model
- Deliver value and results consistently to shareholders, stakeholders and partners

ESG strategy

We aim to contribute to a more sustainable future through our ESG strategy. We have set targets across our strategic priorities – Planet, Colleagues and Communities. We also aim to continuously improve performance across fundamental ESG issues applicable to most businesses, such as human rights and health and safety.

Strategic ESG priorities:

Planet

We recognise that the world needs to achieve net zero emissions by 2050 at the latest.

We seek to play our part in tackling climate change by reducing emissions, scaling up products and services that enable the energy transition, and minimising our waste.

See our targets and progress on page 6

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.

See our targets and progress on page 7

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.

See our targets and progress on page 8

ESG fundamentals:

In addition to our strategic priorities, we are also committed to taking a responsible approach on fundamental ESG issues.

These include:

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, Public Policy, Compliance

See our progress on pages 33 to 38

Progress against targets

Planet

Target		Progress
Climate change		
Reduce our Scope 1 and 2 carbon footprint from our own operations by 50% by 2030 (from 2021) and reach net zero by 2050. We do not plan to use carbon offsets to reach our 2030 target.	**Behind schedule**	Our carbon footprint from our own operations (Scope 1 and 2 emissions) increased by 5.8% from 2021, mainly due to a combination of higher emission factors set by external bodies, and a reduction in the electricity we purchase from renewable tariffs.
Develop a Scope 3 carbon reduction target in 2024 which covers emissions across our value chain.	**On track**	To help us develop a Scope 3 target, we are working with the Carbon Trust to forecast future changes in our Scope 3 carbon emissions under different climate scenarios. We will also consider how we can support the energy transition through electric vehicle charging and alternative fuels.
Expand our lower-carbon mobility offering, including electric vehicle ("EV") charging.	**On track**	We had 578 EV chargers at year end (2022: 470). In 2023, we agreed a deal with Tesla to acquire their ultra-fast charging units for our own branded 'evpoint' charging offer. We plan a broader rollout across our site network over the coming years, and we are also exploring opportunities to offer 'evpoint' charging beyond our own sites.
Waste		
Aim to increase our landfill diversion rate year on year.	**On track**	We recycled 19% of waste in 2023, up from 18% in 2022. Our landfill diversion rate (which includes recycling and waste-to-energy) has improved from 51% in 2022 to 53% in 2023.

Progress against targets continued

Colleagues

Target	Status	Progress
Diversity, equity and inclusion Implement a diversity, equity and inclusion plan in each of our operating markets by 2024.	On track	Across each of our markets, we continue to develop and implement locally-led plans. For example, in the USA, we have an Inclusion and Diversity Council and began developing a number of new training modules on diversity and inclusion in 2023.
Increase the percentage of women in senior leadership positions[1] from 20% in 2021 to at least 40% by 2025.	Behind schedule	The proportion of women in senior leadership positions was 23% at the end of 2023, up from 20% in 2021, but down slightly from 24% in 2022.
Employee engagement Improve our engagement score year on year, from 62% in 2021.	On track	In 2023, our employee engagement score improved to 70%, from 62% in 2021. The 2023 survey was completed across all our markets except the UK, due to the disposal of the majority of our UK business in October 2023.
Training and development Ensure every colleague has access to development opportunities.	On track	We continued to extend our learning and development programmes during 2023. This included a new learning platform in Germany, the continued rollout of a learning hub in the UK and training for store managers in the USA. We also launched an ESG training module for UK colleagues, which we intend to roll out in other markets in 2024.
Create 500 apprenticeships by 2025 (from 2021).	Ahead of schedule	Since 2021, we have created 753 apprenticeships Group-wide, the majority of which were in the UK. We will update our target in 2024 to reflect that we have met our target ahead of schedule, and also to reflect the disposal of the majority of our UK business in October 2023.

[1] This includes members of the Board, Group Executive, managers who report directly to any member of the Group Executive and senior leadership teams within each country who report to the country CEO/country manager. Data has been restated for 2021 and 2022 as a result of improvements to our HR data collection systems.

Progress against targets continued

Communities

Target	Progress	
Communities Extend our community programmes across all our operating markets.	On track	We supported 64 community and charitable organisations (2022: 15) across our markets through charitable donations, gifts in kind and colleague fundraising efforts. We invested a total of $3m for charitable causes, of which $2.8m was fundraised, up from $1.8m in 2022. The EG Foundation, of which EG is a sponsor, made 40 grants to beneficiaries with a total value of $155,000 (2022: 24 grants, with a total value of $186,000).
Start to roll out our volunteering policy – allowing colleagues up to two paid days a year to volunteer for good causes.	On track	In 2024, we are beginning the process of rolling out a volunteering scheme in the USA. Whilst we have not implemented a formal volunteering policy across other markets, many of our colleagues participate in volunteering activities in their own time, for example through sponsored activities. We will review this target as we consider how we can best support our colleagues' charitable efforts in other ways beyond formal volunteering.

Performance summary 2023

Key: Planet Colleagues Communities

$3m
invested in the community, of which $2.8m was fundraised (2022: $1.8m fundraised)

32%
of UK and USA colleagues declared they were from an ethnic minority[1] (2022: 27%)

5.8%
increase in our own carbon footprint (Scope 1 and 2) since 2021

Target: 50% reduction by 2030

578
EV charging points across the UK, Europe and the USA (2022: 470 in the UK and Europe)

486,180
meals donated to Feeding America food banks, that's about 265 tonnes (2022: 482,913 meals)

FEEDING AMERICA™

64
charities supported (2022: 15)

19%
of waste recycled (2022: 18%)

40
charities received grants from the EG Foundation UK (2022: 24)

753
apprenticeships created since 2021

Target: 500 by 2025 (achieved)

1.5m
'Surprise Bags' of food prevented from going to waste via our partnership with Too Good To Go (2022: 967,499)

23%
women in senior leadership positions[2] (2022: 24%)

Target: 40% by 2025

211
total number of sites with on-site solar panels at year end (2022: 208)

2.1m
colleague training hours delivered (2022: 2.7m)

50%
of our Board is from an ethnic minority background (2022: 50%)

(1) This figure is based on voluntarily shared and self-declared data in our USA and UK markets only, who make up 70% of our total workforce. Data is unavailable in our other markets.

(2) This includes members of the Board, Group Executive, managers who report directly to any member of the Group Executive and senior leadership teams within each country who report to the country CEO/country manager. Data has been restated for 2021 and 2022 as a result of improvements to our HR data collection systems.

Governance – how we manage ESG

Board responsibilities

Our Group Board is ultimately responsible for oversight of ESG and is updated and consulted on ESG issues throughout the year. In 2023, key decisions taken by the Board included approval of our Scope 1 and 2 carbon reduction roadmap, and approval of our updated ESG Policy Position Statements. The Board also received a detailed update from external legal experts on upcoming legislation and regulation on ESG in the UK and Europe.

The Board receives annual training on ESG. In 2023, Board members completed online ESG training modules provided by Sustainability Unlocked, which included a section on climate change risks. This built on the training in 2022, on global environmental and social trends, provided by an expert from the Cambridge Institute for Sustainability Leadership.

The following Board Committees also have a remit covering our ESG agenda:

- **Audit and Risk Committee** – oversees our principal risks including climate risks. Other principal risks that relate to ESG issues include risks associated with our people (talent, culture and capability), and compliance with regulation
- **Remuneration Committee** – reviews workforce pay and also supports the delivery of our ESG strategy by incorporating ESG metrics on climate change into our incentive plans

ESG-linked reward

In line with good practice, we link ESG metrics with reward. For 2023, our Scope 1 and 2 carbon reduction target was linked with our Long-Term Incentive Plan ("LTIP"), which applies to senior leadership across some of our markets.

We also added a requirement to complete a new ESG training module into our UK Short-Term Incentive Plan ("STIP"). The actual bonuses paid for 2023 were based on decisions by our Group Board and Remuneration Committee, taking into account a number of factors, including significant business changes in the UK.

ESG ratings

EG is rated annually by the independent ESG rating agency, Sustainalytics.

Our last rating was carried out in early 2023. This showed our ESG risk management score had improved significantly from 16.8 (weak) in 2021 to 36.9 (average), on a scale of 0-100. Our next rating will be carried out in 2024, and we aim to improve our rating over time.

Our Non-Executive Directors

Our two Non-Executive Directors (below) are business leaders with significant knowledge and experience of ESG matters. The Group Head of ESG and Sustainability liaises directly with our Non-Executive Directors to review risks and shape ESG priorities.

Lord Stuart Rose

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

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.

John Carey was a Non-Executive Director on the Board since November 2020 until his appointment as CEO and President of EG America in October 2023. As a result of this appointment, John is now an Executive Director on the Board, and we have commenced a process to identify and appoint a new Non-Executive Director to join the Board in due course.

Governance - how we manage ESG continued

Management responsibilities

Our Co-CEOs, Mohsin and Zuber Issa, together with our Group Executive team, have overall responsibility for implementing our ESG strategy and are supported by teams across the business (see below).

We regularly carry out ESG materiality assessments to ensure our ESG strategy and reporting cover issues that are most significant for our stakeholders and our business (see page 40 for details on our materiality assessment). We also report annually on our progress against our ESG targets (see page 6).

Our ESG Policy Position Statements, which are available on our website, set out our overall approach on a range of ESG issues. These are reviewed and updated annually, and approved by the Board.

ESG and Sustainability team

The Group ESG team advises on our ESG strategy, monitors legislation, reviews progress and is responsible for creating external ESG disclosures. During 2023, we appointed ESG Managers in several of our largest markets to drive implementation of our ESG strategy globally. We also established an ESG Forum in the USA and Europe, which brings together our ESG Managers and other colleagues in relevant functions such as Operations, Legal and Utilities teams, to share best practice and learning. The ESG Forum will meet at least twice a year, with the first meeting held in November 2023. Our Head of ESG and Sustainability reports to our Chief Strategy and Business Officer, General Counsel & Company Secretary and provides regular ESG updates to the Board.

Operational teams

We have teams across the business, at both Group and country level, who are responsible for managing specific ESG issues, such as teams working in HR; Health & Safety; Utilities; and Legal and Governance. We also have an Energy Forum to co-ordinate our energy procurement in the UK and Europe.

Executive Risk and Disclosure Committee

Responsible for reviewing our ESG risks and approving related disclosures, including this report as well as the ESG and climate-related disclosures in our Annual Report. Our Head of ESG & Sustainability provides an update, at least annually, to this Committee covering our approach to climate risks and disclosure.

Our management structure on ESG

Board level

Board of Directors
Oversees ESG issues and strategy, including climate change risks and opportunities

Remuneration Committee
Oversees remuneration, including ESG-related metrics

Audit and Risk Committee
Oversees our principal risks, including climate risks

Executive level

Group Executive team
Responsible for delivering on our climate change approach and targets

Executive Risk and Disclosure Committee
Supports implementation of the Group's risk management framework, including climate-related disclosures

Business level

Group ESG team
Advise on climate-related strategy and legislation, monitor progress and create disclosures. Also feed into Executive and Board-level governance bodies

ESG Managers in Benelux, France, Germany, USA
Support local implementation of our climate change approach and targets

Business teams (across markets)
Manage specific climate-related issues relating to our own operations, products and supply chain

Energy Committee (UK & Europe)
Reviews energy procurement processes

Risk management

Our Annual Report covers details of our principal risks and our approach to risk management.

See pages 47 to 54 of our 2023 Annual Report for our register of principal risks.

This covers long-term risks, as well as emerging and present-day risks, such as ongoing global trends presented by inflation and an uncertain economic backdrop, which pose challenges to all businesses.

A number of our principal risks relate specifically to ESG issues and are therefore fully integrated into our overall risk management process. These include:

- Climate change and the energy transition (strategic risk)
- Compliance with laws and regulation, including ESG regulation (compliance risk)
- Talent, culture and capability (people risk)

Our Audit and Risk Committee reviews and assesses principal risks on an ongoing basis and formally at least once a year. For each of our principal risks, we maintain a risk register that covers details of each risk and the controls we have in place to mitigate the risk.

Climate related risks and opportunities

Climate change is one of our principal risks, with the potential to impact our business in the short, medium and long term. Our 2023 Annual Report includes a climate-related financial disclosure which has been prepared in accordance with the climate reporting requirements in the UK Companies Act 2006 and covers the UK mandatory climate disclosure ("UK MCD") requirements set out in the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022. This covers the potential financial impact of climate-related risks and opportunities for our business under two different climate scenarios and our approach to managing these risks and opportunities, including our strategy and resilience.

Our key climate risks and opportunities are summarised below. The most significant climate-related risk to our business is the potential for reduced demand for petrol and diesel as the world starts to transition away from fossil fuels. However, this also presents a business opportunity to increase sales from EV charging and lower-carbon fuels. We aim to play our part in enabling the energy transition by scaling up our electric vehicle charging offer and sales of lower-carbon fuels.

Summary of key climate risks and opportunities:

Physical risk

Own operations: Physical impact of changing climate and more frequent extreme weather events.

Transition risks

Products: Reduced demand for petrol and diesel resulting from the energy transition, including climate change regulation.

Own operations: Rising costs across our own operations due to the energy transition, including climate change regulation.

Transition opportunity

Products: Growth in demand for electric vehicle charging and lower-carbon fuels resulting from the energy transition, including climate change regulation.

We disclose in detail our approach to identifying, managing and mitigating our climate-related risks and opportunities in our Annual Report. This includes disclosure on our climate governance, risk management, strategy and metrics and targets. See our 2023 Annual Report (pages 28 to 46) for more.

Planet

We recognise that the world needs to achieve net zero emissions by 2050 at the latest.

We seek to play our part in tackling climate change by reducing emissions, scaling up products and services that enable the energy transition, and minimising our waste.

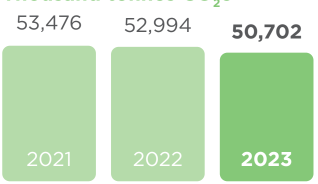
Climate change
Read more on page 14

Waste
Read more on page 21

Climate change: our carbon footprint

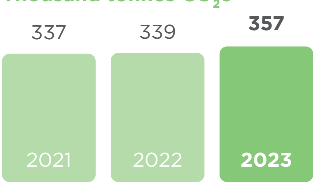
Total carbon emissions (Scope 1, 2 and 3)

Thousand tonnes CO_2e



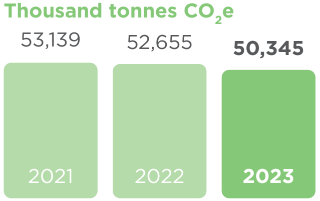
Scope 1 and 2 carbon emissions

Thousand tonnes CO_2e



Scope 3 carbon emissions

Thousand tonnes CO_2e



We measured our Group-wide carbon footprint for the first time in 2021 and use this as our baseline to track progress over time. The diagram (right) shows our total carbon footprint.

Our carbon footprint covers three categories[(1)]:

- Scope 1 – Emissions directly from our own operations, including energy consumption at sites, company-owned and leased vehicles and refrigerant leaks
- Scope 2 – Indirect emissions from purchased electricity, steam or heating
- Scope 3 – Indirect emissions across our value chain. Our most significant Scope 3 impacts are upstream emissions from purchased goods and services and downstream emissions from customer use of the fuel we sell

Our total carbon emissions (Scope 1, 2 and 3) decreased by 5% from 2021 and by 4% from 2022, mainly due to a reduction in fuel volumes sold. Our Scope 1 and 2 emissions increased by 5.8% from 2021 and by 5.3% from 2022, mainly due to emissions factors set by external bodies and a reduction in electricity purchased from renewable tariffs. Our Scope 3 emissions decreased by 5% from 2021 and by 4% from 2022, again due to fuel volumes sold.

(1) Our emissions are reported in line with the Greenhouse Gas Protocol ('GHG Protocol').

50.7m

tonnes CO_2e

Our suppliers

Upstream emissions

23.7%

Scope 3 – purchased goods and services

0.6% Foodservice

19.9% Fuel

3.2% Grocery & Merchandise

Our operations

Own emissions

1%

Scope 1 and 2

0.7% Energy use

0.1% Fugitive emissions, company-owned fleet and business travel

Scope 3

0.2% Waste, fuel and energy-related activities and business travel

Our customers

Downstream emissions

75.3%

Scope 3 – use of sold products

75.3% Customer use of fuel

Climate change: Our operations

Scope 1 and 2 carbon reduction roadmap

We have worked with the Carbon Trust to develop a detailed roadmap which sets out the measures required to achieve our Scope 1 and 2 carbon reduction target – from purchasing more renewable electricity to installing solar panels and reducing refrigerant leaks. It also takes into account grid decarbonisation forecasts. The roadmap was reviewed and approved by the Board in 2023.

The roadmap also estimates the investment required to implement the recommended carbon-saving measures, and we have started to incorporate this into our annual budgeting process. This should ultimately deliver overall cost savings by reducing energy consumption, enabling us to minimise operational costs from energy use, and costs associated with growing climate regulation.

We will revise the roadmap to reflect business disposals and acquisitions as and when required.

1 Energy efficiency

- Lighting to be LED by 2030
- New equipment to meet high standards of energy efficiency

2 Renewable electricity

- Increase electricity from renewable sources by 2030
- New sites to have on-site solar panels where feasible

3 Climate-friendly heating

- New sites to have heat pumps where feasible

4 Climate-friendly cooling

- New cooling equipment to have zero global warming gases

5 Electric vehicles for our own fleet

- New company cars and fleet vehicles to phase in hybrid or fully electric vehicles

A summary of our 2030 carbon reduction roadmap:

Climate change: Our operations continued

1.8%
of electricity from renewable sources (2022: 7.6%)

211
sites with on-site solar panels at year end (2022: 208)

195
sites with heat pumps at year end (2022: 39)

Renewable electricity

In 2023, renewable electricity accounted for 1.8% of our total electricity use (7.6% in 2022). Our new Energy Committee started work in 2023 to review the procurement of energy, including renewable electricity, at our sites in the UK and Europe. We signed a five-year power purchase agreement to procure more of our electricity in Germany from renewable sources and continued to procure renewable electricity in Luxembourg. In addition, we purchase renewable electricity for our own brand evpoint chargers in the UK.

Heat pumps

We aim to decarbonise our heating by installing heat pumps at new-to-industry sites in the UK and Europe and for major refit projects, where feasible. So far, we have installed heat pumps at 195 sites (2022: 39 sites).

Cooling and refrigeration

Emissions from our cooling and refrigeration systems ('fugitive emissions') account for 23 of our Scope 1 carbon footprint, and 3% of our total Scope 1 and 2 footprint.

We have fitted an energy-saving system, Smart Cool, in our refrigeration units across most of our sites in Germany (where this is called EndoCube) and have started to extend this to other sites in the UK. These increase energy efficiency of refrigeration units by an average of 18% through use of Smart Cool's CUBE sensors, which regulate the cooling based on the food temperature rather than the air temperature. They also reduce the number of cooling cycles, which prolongs the life of the equipment and reduces service and maintenance costs. In Germany, we estimate that this will save more than 980,000 kWh of electricity per year.

Powered by the sun

In 2023, we generated electricity from on-site solar panels at 211 sites, up from 208 in 2022, including 160 sites in the UK, 36 sites in Europe, 14 in Australia and one site in the USA. These helped to save an estimated 676 tonnes of CO_2e in the year (660 tonnes of CO_2e in 2022).

In the UK and Europe, we install solar panels wherever possible at new-to-industry sites, including petrol filling stations and suitable Foodservice sites. Our Group headquarters in Blackburn also has more than 1,000 solar panels, and we added our first battery storage unit there in early 2023 to provide us with solar energy even when the sun is not shining. In 2023, our solar panels in the UK as at year end generated almost 2.5 million kWh of electricity (2.4 million kWh in 2022). We will continue to explore battery storage at other sites.

In 2023, we started to trial a mini wind turbine at our site in Doncaster, UK, which, together with the solar panels already in place, will help the site generate more electricity from renewables.

In the USA, we provided $9.1m in financing for an 11.25 MW solar project in New York State to take advantage of tax credits available through the Inflation Reduction Act.

Climate change: Our operations continued

769 (kWh/m²) Our energy efficiency in 2023

Energy efficiency

In 2023, we continued to roll out energy efficiency measures, including improved energy management and monitoring systems. For example, we extended our LED lighting to cover most of our petrol station forecourts in Germany, and are looking at a trial for some sites in the USA in 2024.

We have also started to trial an Energy Management System for our air conditioning and heating systems (see box). We also provide training for colleagues to improve energy consumption, and intend to roll this out further in 2024.

In the Netherlands, we are working to comply with regulations that require site-level energy audits and improvement plans, across our largest sites. We conducted energy audits at 210 sites (44% of all sites in the Netherlands) by the end of 2023, and will start to implement the energy-saving recommendations from 2024.

In Germany, we continue to work on energy management system obligations, in line with regulation there.

We also aim to incorporate energy efficiency and sustainability considerations into the design and construction of new stores. For example, at our new store in Maillac, France (opened in 2023), we followed the HQETM (Haute Qualité Environnementale – High Quality Environmental) building standard which sets criteria on energy, environment, health and comfort.

In addition, our sites in Kampen, Purmerend, and Breda in the Netherlands have incorporated energy and water-saving technologies, expected to result in reduced energy consumption. This includes efficient HVAC systems to reduce water usage.

We also sourced more sustainable materials for the construction of these sites, and sought to minimise waste generation during the construction phase via a new waste disposal approach followed by all contractors.

Hybrid cars

We have started to increase the number of hybrid and electric vehicles used for our own company car fleet. For example, in Germany, we are moving towards more plug-in and mild hybrids, and we have one fully electric car. In the UK, we offer hybrid electric cars to all new drivers (and current drivers when their lease is due for renewal). We currently have 172 hybrid vehicles in use Group-wide (144 in 2022) and five electric vehicles.

Tracking energy use in real time

We have started to trial an Energy Monitoring System in the UK to track our energy use on a daily basis, for our air conditioning and heating systems, as well as energy-consuming equipment. This will lead to a better understanding of our energy costs, as well as potential savings. All our petrol filling stations in the UK are taking part, as are a number of our Foodservice brand partners. We have also started to explore similar systems in other markets in Europe.

Climate change: Our products and supply chain

ENERGY TRANSITION

We recognise that climate change and the energy transition will impact our business over time. The most significant climate-related risk to our business is the potential for reduced demand for petrol and diesel. However, this also presents a business opportunity to increase sales from EV charging and lower-carbon fuels.

In 2023, we started work with the Carbon Trust to forecast our Scope 3 carbon emissions under different climate scenarios and timeframes, taking into account external factors including changes in regulation, our suppliers' approaches to carbon reduction and our own plans to support the energy transition. This will enable us to explore and develop a Scope 3 carbon target in 2024.

Biofuel and alternative fuels

Regulations on biofuel and renewable transport fuel mandate minimum biofuel content in transport fuel in many markets. Biofuels help reduce carbon emissions from transport, since they are commonly derived from crops that absorb carbon dioxide as they grow.

We offer E85 biofuel (a fuel that contains 85% of the biofuel ethanol) in a number of markets, including France and the USA. We have also continued to work in partnership with Neste as the distributor of Neste MY Renewable Diesel™ (a biodiesel) to business customers in Benelux (see box). In the USA, we began offering a biomass-based renewable diesel at retail sites in California.

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.

We are also actively considering how compressed natural gas ("CNG"), liquefied petroleum gas ("LPG") and hydrogen could sit alongside traditional transport fuels. Since 2021, EG Group has invested in Hydrogen Vehicle Systems ("HVS"), a company that develops and manufactures hydrogen-powered heavy goods vehicles. In addition, we hold a minority share in H2 MOBILITY in Germany. With the operation of 90 hydrogen filling stations and 60 successfully implemented construction projects, H2 MOBILITY Germany is now the largest hydrogen filling station operator in Europe.

Carbon savings from renewable diesel

In the Netherlands, EG Fuel, our wholesale supply business, is a distributor of Neste MY Renewable Diesel™, which is a diesel replacement made from vegetable oils (such as used cooking oil) and fats. It enables our business customers, such as transport, postal and construction companies, to cut their carbon footprint since it reduces emissions by around 75-95% compared to fossil fuel diesel.

We also offer the renewable diesel at 52 of our petrol filling stations in the Netherlands.

Climate change: Our products and supply chain continued

578
EV charging points in the UK, Europe and the USA (2022: 470 across the UK and Europe)

11,090
tonnes of CO_2e avoided by customers via our EV chargers

Electric vehicle charging

We were an early adopter of EV charging, with our first charger installed at one of our sites near Heathrow Airport more than ten years ago. As at the end of 2023, we had 578 EV chargers (including our own and third-party chargers).

We estimate that our customers have avoided 11,090 tonnes of CO_2e in 2023[1], via EV charging at our sites – data we have estimated for the first time in 2023.

We are continuing to roll out 'evpoint', our own-branded electric vehicle charging proposition. In 2023, we agreed a deal with Tesla to procure ultra-fast charging units (see case study box), as part of 'evpoint'.

Our software provider for 'evpoint', ChargePoint, enables customers to find EG locations and pay for usage through the ChargePoint app or on site with a tap of a payment card. ChargePoint also provides customers with their own individual data on carbon savings from EV charging.

During 2023, we also installed our first EV charger for electric trucks at our petrol filling station in Rivington in the UK, as we begin to explore how larger vehicles may also start to transition away from fossil fuels in the future.

Electrifying the future: Ultra-fast EV charging with Tesla

We continue the rollout of 'evpoint', our own-branded electric vehicle charging proposition. In 2023, we agreed a deal with Tesla to procure ultra-fast charging units. The units from Tesla are branded 'evpoint' and leverage Tesla's industry-leading technology. They will be available to all drivers regardless of the brand of vehicle they drive. The chargers will also support the Plug and Charge protocol, which simplifies and automates payments for Tesla drivers. All evpoint chargers in the UK are supplied by 100% renewable electricity with guarantee of origin ("REGO") certificates.

Many of our sites have ample space for installing EV chargers and we are also exploring opportunities to partner with others to provide EV charging beyond our own sites.

[1] We calculate this by estimating how far an EV can go using the electricity we supply, calculate the emissions from generating this electricity and compare this with the emissions that would have been generated by a vehicle with an internal combustion engine going the same distance.

Climate change: Our products and supply chain continued

SUPPLIER ENGAGEMENT

We recognise the importance of engaging with our fuel and food suppliers on environmental issues, including climate change, to understand how these are factored into their products and services. In 2023, we participated in a number of sustainability meetings and forums organised by a number of our food partners.

We have started to roll out a new ESG supplier questionnaire, to assess our suppliers' approaches to sustainability including climate change. This will allow us to evaluate gaps and areas for improvement, as well as highlighting areas where we can collaborate with our suppliers for greater impact.

Fuel suppliers

In 2023, our carbon emissions from our upstream fuel supply chain accounted for 19.9% of our total carbon emissions, which reflects the carbon intensity of extracting fossil fuels.

We buy fuels from suppliers including well-known brands such as Ampol, BP, ExxonMobil and Texaco. A number of our fuel suppliers have set targets to reduce their carbon intensity, which will help to reduce emissions in our upstream supply chain over time.

Food suppliers

A number of our Foodservice partners have set carbon reduction targets for their products, for example for supply chain emissions related to the production of meat and dairy. Some of our brand partners are also working to reduce emissions from food by providing a range of meat alternatives, including vegetarian and vegan options.

A number of our brand partners also have initiatives to reduce the carbon footprint of meat and dairy sourcing. For example, Starbucks in the UK is working in partnership with its milk supplier to develop a sustainable sourcing blueprint designed to help reduce carbon emissions from dairy.

In Germany, we launched a new proprietary brand, Ria's Pommespot, which serves fresh Belgian fries with a variety of toppings, including vegetarian and vegan options.

Waste: Operational waste

53%
of waste diverted from landfill (2022: 51%)

19%
of waste recycled (2022: 18%)

We aim to minimise waste and maximise waste recovery and recycling – not only is this good for the planet, but it reduces our operational costs at the same time. We also aim to minimise stock loss through optimised stock management and ordering.

Waste data has been reviewed and revised for previous years for accuracy and, as a result, we have seen an improvement in waste diverted from landfill:

- The proportion of our waste diverted from landfill (which includes recycling and waste-to-energy) has improved from 51% in 2022 to 53% in 2023
- Our total waste decreased by 6% from 2022
- We recycled 19% of waste in 2023, up from 18% in 2022

We have started to consolidate the number of waste contractors we work with to help improve recycling rates. For example, we have a single waste contractor across Belgium and the Netherlands, and work with two main waste contractors in France across most of our sites.

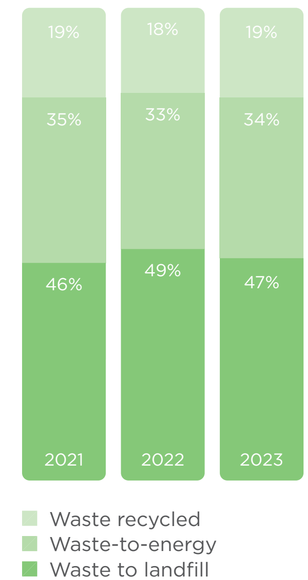
In the USA, we started working with a new vendor at our warehouse, to identify and divert recyclable or reclaimable materials that were sent to landfill previously. Through this initiative, we have increased the amount of metals and e-waste recycled, meals donated and waste sent to energy facilities, while reducing overall costs. We plan to expand recycling initiatives in the USA and track their impact on recycling rates, to see whether these can be rolled out more broadly.

Other key activities include:

- We introduced reusable tableware for eat-in customers at some sites in France, helping to reduce packaging waste
- In the Netherlands, we operate a plastic bottle and aluminium-can return scheme in line with regulation
- We stopped issuing paper receipts at some sites in Germany as part of the switch to a new payment system which offers electronic receipts for customers, helping to reduce excess paper use
- At our Benelux and USA head offices, we provided reusable cups to all team members, to drive down the use of disposable coffee and water cups. And at our Germany head office, we have moved away from individual bins at every desk to larger communal bins with segregated waste streams

Operational waste

Percentage



Waste: Food waste

Too Good To Go

1.5m
Surprise Bags of food sold via Too Good To Go (2022: 967,499)

FEEDING AMERICA

486,180
meals given to Feeding America (2022: 482,913)

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.

In the UK and Europe, we partner with Too Good To Go ("TGTG"), an organisation which seeks to prevent food waste, whilst also supporting households in making their food budgets go further. Through the TGTG app, customers can pick up unsold, surplus food in Surprise Bags at a discount at the end of the working day. In 2023, 1.5 million Surprise Bags were collected by customers (2022: 967,499 bags), which helped to avoid an estimated 3,989 tonnes of CO_2e.

In the USA, we are working with Feeding America, the largest charity working to end hunger in the United States. It has a nationwide network of food banks, pantries and meal programmes that reach over 40 million people in need. In 2023, we donated 486,180 meals (equivalent to around 265 tonnes) of food to Feeding America food banks (2022: 264 tonnes).

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.

Employee engagement

Read more on page 24

Reward and wellbeing

Read more on page 25

Diversity, equity and inclusion

Read more on page 26

Training and development

Read more on page 28

Employee engagement

45,217
colleagues at the end of 2023

70%
colleague engagement score in our 'Better Together' survey (up from 62% in 2021)

Better Together colleague survey

We aim to provide a workplace where our colleagues feel valued and connected to EG. We measure colleague engagement and experience through our 'Better Together' colleague survey. In 2023, our employee engagement score was 70%, up from 62% in 2021[1]. The overall engagement score improved across all countries compared with the 2021 survey, with the highest scores relating to employee understanding of individual roles and responsibilities.

Our employees identified pay and reward as priorities, as well as how the business can provide systems and processes to support them in completing their tasks effectively. The 2023 survey was completed across all our markets except for the UK due to the divestment of the majority of our UK business.

In a number of markets, the number of employees who responded to the survey significantly increased. We plan to carry out the survey again in 2024 or 2025, covering all markets.

We use the results of the survey to create action plans. HR leads conduct colleague engagement reviews throughout the year and report this into the Remuneration Committee. In the USA, we have a central action planning tool which is available for store managers. We have found that stores that use this to build and track action plans achieve significantly better year-on-year team engagement scores. Our approach to themes raised via the survey, such as learning and development, and reward and wellbeing, are covered on the following pages.

Employee turnover

Our employee turnover rate (including voluntary and involuntary leavers) is reported by country in our Data appendix on page 48.

Whilst some of our markets experienced significant turnover in 2023, a high turnover rate is common in the retail sector, and our Remuneration Committee continues to monitor this data. In 2023, our highest turnover rate was in the USA (139%), although this is lower than the national average of 170% for part-time staff in convenience stores in 2023 (Source: NACS). Our focus on employee satisfaction – responding to the issues our colleagues tell us are important – will enable us to improve this over time.

[1] We did not carry out a Group-wide survey in 2022. In 2023, we carried out a further, additional survey in the USA following the 2023 Group-wide survey, which again showed further improvements in the engagement score and response rate in the USA.

Employee engagement continued

Pay and reward

We recognise that reward is a key driver of colleague engagement, and we seek to ensure our colleagues are rewarded appropriately for their contribution to our business. We regularly review pay and benefits to ensure these remain fair. Our Remuneration Committee oversees workforce pay and reward and receives regular updates from our HR leads. Our Annual Report 2023 (pages 75-76) includes further details on the work of the Remuneration Committee during the year. We also provide a range of additional support for our colleagues which are tailored to our markets, such as bonus payments, health programmes, discounts at EG and partner brands, and vouchers and rewards.

We have a number of local works councils in Europe which focus on pay and working conditions, including collective bargaining agreements. Our new European Works Council will bring together managers and colleague representatives to promote engagement and dialogue on strategic issues. In the USA, some of our truck drivers are members of a union, and in Australia, we have a negotiated collective labour agreement.

Supporting colleague wellbeing

We offer a range of resources to support colleague wellbeing. This includes an Employee Assistance Programme which provides counselling and support to colleagues whenever they need it.

We also provide training on wellbeing-related issues across our markets, to ensure colleagues are supported by their line managers.

In the USA, we provide a wellness programme for colleagues that have health insurance through EG. This includes a number of on-site activities including health screening (e.g. cholesterol and blood pressure), financial wellness seminars with an external provider on money management, and a presentation on mental health to support emotional wellbeing. We also offer points for various fitness and wellbeing challenges, which can be redeemed for gift cards.

Through the EG America 'Hope Fund', we also provide emergency financial assistance to colleagues at times of need, by match funding money contributed by team members. Since 2012, the Fund has supported over 500 team members with contributions totalling $1.2m.

Recognising and celebrating our colleagues

In the USA, we continue to recognise and celebrate the contribution our colleagues make in the workplace to living our values through our Values Ambassador Recognition Program. Every quarter, we select five winners who each receive a personal 'thank you' from our Leadership Support team along with a customised award, $200 and a paid day off.

In 2023, over 1,800 individuals were nominated for the award by their colleagues.

Diversity, equity and inclusion

We are committed to being an equitable and inclusive business, reflecting the diversity of our colleagues, customers and wider communities. We have a Group-wide Diversity, Equity and Inclusion Policy. See page 47 of our Data appendix for more detailed data on diversity.

Gender diversity

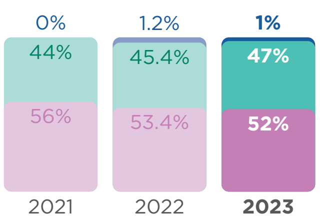
We measure data on gender diversity across all our markets (see charts). We have a target to increase the proportion of women in senior leadership positions to at least 40% by 2025. The proportion of women in senior leadership positions was 23% at the end of 2023, up from 20% in 2021, but down slightly from 24% in 2022.

We continue to be proactive in our recruitment approach, for example, we advertise management positions internally prior to going external; job adverts are checked for language neutrality by specialist software; and we advertise pay ranges for many of our roles. In 2023, we continued to engage with other retailers through our membership of Diversity in Retail ("DIR")[1] in the UK, and a number of our colleagues participated in its partnering and mentoring schemes.

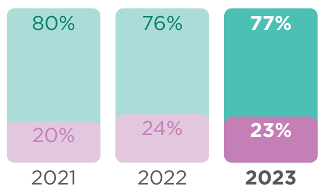
In the UK, we publish a Gender Pay Statement in line with regulation on our website and on the UK Government's database. Gender pay gap data reflects the average difference between how much men and women are paid in an organisation.

In the Netherlands, legislation requires companies to set and report against targets to improve gender balance. We have set targets such as: 33% or more of our supervisory Board in the Netherlands should be female in 2024.

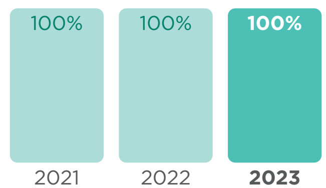
Workforce



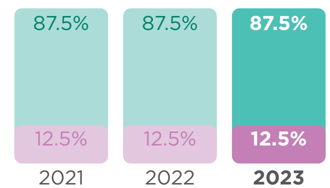
Senior leadership[2]



Group Executive



Board



Women Men Other[3]

(1) EG Group was a member of the UK Diversity in Retail ("DIR") up until 31 October 2023 (when most UK sites were sold to Asda).

(2) This includes members of the Board, Group Executive, managers who report directly to any member of the Group Executive and senior leadership teams within each country who report to the country CEO/country manager. Data has been restated for 2021 and 2022 as a result of improvements to our HR data collection systems.

(3) Colleagues who do not wish to declare their gender, or do not consider themselves defined as male or female.

Bild: © Kompetenzzentrum Technik-Diversity-Chancengleichheit e. V.

Tackling gender stereotypes

In Germany, we provided a programme for young people that aims to break down gender stereotypes in the workplace. Participating companies offer insights into careers where women are under-represented (such as science and IT) and where men are under-represented (such as the education and care sectors).

We provided a taster day for young people to give them insights into marketing careers, which included a visit to our head office and a petrol filling station.

Diversity, equity and inclusion continued

Ethnic diversity

We track data on ethnicity in the UK and USA, which represents 70% of our workforce. In 2023, 32% of colleagues in the UK and USA declared they were from an ethnic minority (2022: 27%). The increase reflects our growing pool of diverse talent, as well as communications initiatives in which we request colleagues to provide their demographic details to allow us to understand our workforce better.

In addition, a significant proportion of our leadership, including our Group Executive and Board, come from ethnic minority backgrounds, reflecting the origins and heritage of EG which has grown from a small business in the North West of England into a global business.

Although we are not able to collate ethnic diversity data in all of our markets due to legal reasons, we are looking at how we can expand this into other markets where possible, and where local legislation allows.

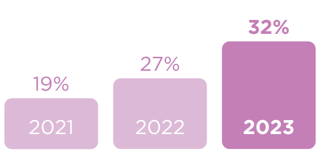
In some markets where we cannot track ethnic diversity data, we review other data, for example, in Germany we employ people from more than 70 different countries, which adds to the diverse mix of colleagues in our workforce.

Disability

In 2023, 445 employees declared a disability (2022: 513)[1]. As far as possible, we ensure the training, career development and promotion of disabled persons is the same as that of other colleagues.

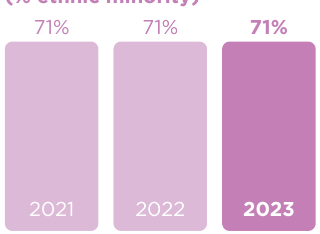
Workforce – USA & UK

(% ethnic minority)



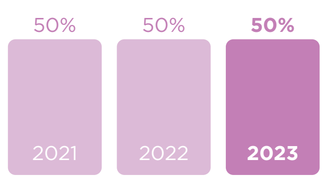
Group Executive

(% ethnic minority)



Group Board

(% ethnic minority)



Locally-led diversity and inclusion action

Across each of our markets, we continue to develop and implement locally-led diversity and inclusion plans.

For example, in the USA, we have an Inclusion and Diversity Council and also created a new employee group, 'Women at EG'. The new group will help to develop and empower women at all levels to reach their potential.

We also developed a number of new training modules during 2023 which will be launched in early 2024. These cover:

- Diversity, Equity and Inclusion at Work
- Unconscious Bias
- Microaggressions in the Workplace
- Cultural Competence
- Religion, Spirituality & Beliefs
- LGBTQ & Inclusion

Our colleagues are also passionate about this agenda. Karyn Keeling, manager at our store in Foxborough, USA, received the 'Above & Beyond' award from Foxborough's Commission on Disability. The commission recognises those who strive to promote equal access to community life and activities for those with disabilities. Karyn, herself a mother of a child with special needs, was recognised for her work to promote equal opportunities for people with disability.

[1] This is based on self-declared and voluntarily shared data. Data on disability is collected across all markets except for Benelux (where regulation does not allow data to be collected).

Training and development

2.1m
training hours (2022: 2.7m)

753
apprentices created since 2021

Training

In 2023, employees completed a total of 2.1 million hours of training (2022: 2.7 million hours). This includes compliance and operational training.

Across all our markets we offer a comprehensive learning and development programme, including colleague induction, upskilling, apprenticeships and career development. We provide sponsorship opportunities for colleagues working towards professional qualifications. Not only does this benefit them individually, it also ensures we have a steady pipeline of talent in key business functions.

In the USA, our 'Managers in Training' tool helps to prepare colleagues for the responsibility of leading a store team. The eight to 26-week programme trains team members on operations, people management and commercial awareness. Since 2022 in the UK, we have held bespoke training, led by external specialists for line managers, to enhance management skills. In 2023, 92 UK managers attended these sessions.

In Benelux, we developed a new onboarding programme for certain colleagues at all our PFS sites, to support them into their new roles at EG.

In Germany, we introduced a new training platform, offering 20 e-modules on a range of operational and health and safety topics, as well as seminars covering operational and management topics.

Our online 'Learning Hub' gives colleagues access to a free and accessible training resource across a wide range of topics, from business skills to digital and leadership skills. First launched in the UK in 2022, we plan to roll this out to other markets over time.

During 2023, we also launched an ESG training module for all UK colleagues. 18,458 colleagues completed the training by the end of the year. We intend to roll out ESG training for colleagues in other markets in 2024.

Winner of the Large Business Employer Award at the Lancashire Apprenticeship Awards 2023

Northwest Region Highly Commended Macro Employer Award 2023

Investing in skills and creating opportunities for everyone

We invest significantly in apprenticeships, which offer colleagues the opportunity to develop skills and knowledge and gain practical experience in paid employment. Since 2021, we have created 753 apprenticeships Group-wide, achieving our target to create over 500 Group-wide apprenticeships, the majority of which (408) were in the UK. We will update our target in 2024 to reflect that we have met our target ahead of schedule, and also to reflect the disposal of the majority of our UK business in October 2023.

In 2023, we launched a new finance graduate and apprentice scheme at our head office in the UK. The scheme, which is open to both internal and external applicants, provides participants with work experience in a range of finance teams for two to three years, while they also embark on a study programme to gain accountancy qualifications via the AAT (Association of Accounting Technicians) or ACCA (Association of Chartered Certified Accountants).

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

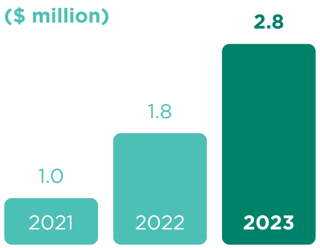
Read more on page 30

Charitable activity

64
charities benefited from our support across our markets (2022: 15)

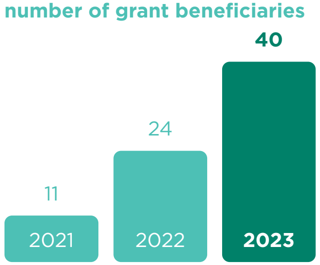
Fundraising

($ million)



EG Foundation

number of grant beneficiaries



Our approach to charitable activity means that we support communities and charitable causes globally, nationally and locally.

In 2023, we supported 64 community and charitable organisations (2022: 15) across our markets through charitable donations, gifts in kind and colleague fundraising efforts. Our total community investment was $3m, of which $2.8m was fundraised, up from $1.8m in 2022. The rest is made up of our direct, community contributions.

International disaster relief

We raised $627,000 for the American Red Cross in 2023. The funds are supporting in preventing and alleviating human suffering in communities big and small.

From natural disaster survivors to cancer patients who need lifesaving blood to military families in crisis, or reconnecting families separated after disaster, conflict and migration, EG's donation enables the American Red Cross to stand by people during their darkest hours.

At our EG America headquarters, we also provided use of our meeting rooms (free of charge) for training events hosted by the American Red Cross on disaster relief.

We also donated $222,193 to the British Red Cross, following the earthquake in Turkey and Syria in 2023 ($124,354 donated by EG Group, and $97,839 raised by colleagues) to help provide emergency funds for those affected by the disaster.

In Turkey, support included the provision of tents, as well as food and water through field and mobile kitchens. In the later stages of recovery, food parcels were provided – including special boxes for those with dietary requirements such as gluten allergies. In Syria, support included the provision of food, such as rice and beans, in the aftermath of the earthquake. Where local markets were open, cash assistance was provided for families to be able to make purchases of essential items directly.

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. In 2023, EG Foundation made grants to individuals, community groups and charities. This included hospices, schools, homeless groups, dementia support groups, and women's and children's charities.

In 2023, 40 charities received grants from the EG Foundation, worth a total of $155,000 (2022: 24 charities received $186,000). For example, we supported St Barnabas Hospices, and provided funding which went towards the development of a sensory garden for children with life-limiting conditions, which has the potential to benefit 300 children and their families, by ensuring they can access a welcoming and engaging outdoor play area. We also supported AFC Wembley Foundation, which aims to promote community participation in healthy recreation, and in particular through football facilities. Funds went towards delivering free football sessions to young people from deprived areas of the local community, with a focus on those from a black and minority ethnic background, with these groups most likely to be at an economic disadvantage in the local area.

Charitable activity continued

Colleague and customer fundraising

Our colleagues are passionate about fundraising and give their time to good causes in the communities where they live and work. In 2023, we continued to support a wide range of charities and charitable causes, including family and children's charities and health and wellbeing charities.

We are beginning the process of rolling out a volunteering scheme in the USA in 2024. In our other markets, we will review how we can best support our colleagues' charitable efforts beyond formal volunteering.

Disabled American Veterans

$752,000 raised in the USA for Disabled American Veterans ("DAV"). We are long-standing supporters of DAV, which assists veterans and their families across the United States with programmes including support to access benefits, employment, medical transportation and transition to civilian life.

American Cancer Society

$643,000 raised via our charity partnership with the American Cancer Society, which aims to improve the lives of people with cancer and their families through advocacy, research and patient support.

United Way

$520,000 raised for the United Way, which brings people together to build strong, equitable communities where everyone can thrive. As one of the world's largest privately funded charities, it serves 95% of communities in the USA, as well as global communities – making a difference to 48 million people every year. Through United Way, communities work to boost education, economic mobility and health resources.

Charity run

In Germany, some of our colleagues participated in the Hafen City Run in Hamburg to raise money for Abendblatt hilft e.V., which supports people in Hamburg and the surrounding areas in financial or health-related difficulties. We also raised funds for two homelessness charities in Hamburg and Munich.

Supporting local communities in Westborough, Massachusetts

In the USA, we partnered with Westborough Connects, a local non-profit organisation in Massachusetts, which aims to build a thriving, kind and connected community. We provided food donations from our distribution centre to help ten families that moved into a temporary emergency shelter in the local area. We also donated $10,000 from EG America to match the amount raised by Westborough Connects' local partners.

Our teams also participate in local volunteering activities, including members of our Talent Acquisition team in the USA volunteering for Sherry's House, a local charity for cancer patients, and members of the Finance team volunteering their time at a community garden.

Charitable activity continued

Holiday experiences with Villa Pardoes

We provide support for families travelling to Villa Pardoes, which provides Dutch families with a gravely ill child between the ages of four to twelve years old with a unique holiday experience. We raise funds at all our petrol filling stations in the Netherlands. We also cover the cost of transport fuel (and use renewable diesel which has lower carbon emissions).

ANT Italia Foundation

In Italy we continued to support the 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 ANT. Around 500 professionals work for the foundation, including specialist doctors, nurses and psychologists, supported by over 2,000 volunteers.

UK – NSPCC

The National Society for the Prevention of Cruelty to Children (“NSPCC”) is a leading children’s charity in the UK and has been established for over a century. Funds raised via our partnership in 2023 went towards preventing child abuse, aiding in recovering children’s lives and supporting families in need. We raised $45,000 in support of the NSPCC.

Macmillan Cancer Support

We supported Macmillan in the UK, who not only provide practical and emotional support to individuals, but they are also actively trying to find better ways to support people living with cancer. So far, they’ve given £200m to support cancer research globally. We raised funds across our network of sites, and held fundraising activities including a Macmillan ‘Chai’ Morning and participation in the ‘Yorkshire Dales Mighty Hike’. Thanks to the generosity of our colleagues and customers, we raised $58,000.

Ronald McDonald Houses

We’ve been the main sponsor of the Ronald McDonald charitable car rally since 2012. Funds raised are donated to Ronald McDonald Houses, which provides accommodation for parents of sick or disabled children in hospital, meaning they can remain close to their child without having to travel long distances.

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. Our commitment to take a responsible approach across our ESG fundamentals is part of how we do 'business as usual'.

Environment

Water

In 2023, we used 3.7 million cubic metres of water in the business (2022: 3.8 million). Data for previous years has been reviewed and revised for accuracy, which has led to more consistent year-on-year data. To help minimise water consumption, we have rainwater harvesting at two sites. We also seek to use water efficient taps. We also have automatic meter-reading devices to help monitor our water consumption on a half-hourly basis in some markets. This allows us to identify and proactively fix leaks and inefficiencies on site.

Sustainable sourcing

We seek to work with suppliers and brand partners that share our commitment to responsible business. We have developed an ESG supplier questionnaire which we started to roll out in 2023, to help us understand their approach and performance on a broad range of issues, including sustainable sourcing. See also page 36 for more on human rights and responsible sourcing.

More sustainable sourcing in Germany

In Germany, one of our main meat suppliers, 'Gourmetfein', has a local sourcing policy to procure all pork and beef from partner farms in Austria and Germany that adhere to high animal welfare and environmental standards (such as no use of the herbicide glyphosate). Details of where the meat comes from are shown on every product label. Around 80% of the animal feed is grown by local farmers and the rest comes from certified European sources, to avoid risk of deforestation associated with soy and other animal feeds. All the products supplied by 'Gourmetfein' are free from flavour enhancers, artificial colours, thickeners and are 100% GMO free.

ESG fundamentals continued

Environment continued

Fuel safety

Our fuel storage infrastructure is monitored 24/7 by an external global partner using statistical inventory management, which is complemented by automatic tank gauges at site level (to detect potential leaks) and, where required, interstitial monitoring. Each market has robust emergency procedures which includes competent environmental response contractors, on-site spill procedures and escalation processes.

In 2023, we identified one serious spill in the USA that requires remediation (2022: one). The spill was related to a previous release of fuel and investigation is ongoing as we work with regulatory authorities to identify the extent of the impact to soil and groundwater. Remediation, planned for 2024, will consist of soil excavation after the underground storage tank system is removed. Thereafter, we will monitor groundwater concentrations to ensure that regulatory standards are met.

We know some customers prefer to use gloves at our forecourts, for hygiene and safety reasons. That's why we offer gloves to customers who want them. At the same time, we are mindful of our use of single-use plastics and encourage customers to use gloves responsibly, taking only what they require. This ensures we minimise our impact on the environment whilst protecting our customers at the first point of contact.

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.

We have been preparing for new planning regulation on biodiversity in England that came into effect in 2023. Under the Environment Act 2021, all planning permissions (with a few exceptions) granted in England will have to deliver at least a 10% biodiversity net gain, i.e. developers will need to ensure that habitat for wildlife is in a better state than it was before development. This impacts new-to-industry sites we develop in England and how we address their design.

We have started to implement this in our new development activity in England, working with developers and through our own planning and construction teams.

ESG fundamentals continued

Social

Employee health and safety

We are committed to the highest standards of health and safety. Our approach and performance are regularly reviewed by the Board. Across every market we have a dedicated Health and Safety team and we provide health and safety training for all colleagues. We carry out regular health and safety site-level risk assessments and inspections, in addition there is a programme of internal auditing that measures the effectiveness of our training, policies and procedures.

In the USA, we strengthened our Health and Safety team by adding twelve new field safety specialists to conduct site visits and train our retail teams. We use a bespoke software system for incident reporting with colleague accident rates reported regularly to the Board.

In Germany, our new training website provides a range of e-learning on health and safety issues. For example, there are training modules on food safety, fuel safety (e.g. fire and explosion protection), hazardous waste, safe lifting and carrying, and ergonomics for computer workstations.

In 2023, there were 262 work-related lost time accidents (2022: 300) – equivalent to 0.37 per 100,000 hours worked (2022: 0.39). A total of 7,530 work days were lost as a result of these accidents (2022: 10,511), the majority of which were in the USA and France. In 2023, we spent time reviewing and improving our data, which has led to data from previous years being restated in the USA. There were no work-related fatalities during the year. See our Data appendix on page 49 for more detailed data.

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. Across our own-brand food operations in all our markets, we employ a combination of food safety technical managers, quality assurance, and in-house and third-party auditing.

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.

Our Culinary Centre in the USA (which manufactures food products) received an 'excellent' rating for the fifth year in a row in the annual Safe Quality Food audit. Our third-party branded operations are regularly audited by third-party auditors and our own in-house audit teams.

Our brand partners are responsible for managing recalls for products they supply to us, since 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 2023.

Diet and health

We recognise that we can play a role in promoting healthier choices by offering a wider range of healthy options at point of sale. We sell a large volume of fast food through our Grocery & Merchandise and Foodservice offering, however we also recognise that most customers purchase food items from us on an ad-hoc basis, rather than for their main food shop, which limits the impact on customer diets. We will continue to review our food offering in line with evolving customer tastes.

We also work closely with our franchise partners to understand and promote their product offering. Many of our brand partners offer healthier options as part of their product ranges and promotions, including salads, nuts, dried fruits, and bottled water.

ESG fundamentals continued

Social continued

Human rights and responsible sourcing

We do not tolerate any form of modern slavery or any abuse of human rights. We recognise that all businesses face human rights risks, including risks of modern slavery and labour exploitation and we seek to regularly review risks and take action across our operations and supply chain to mitigate them. There were no incidents of modern slavery reported to us in 2023.

We publish an annual Modern Slavery Act Statement on our EG Group website, in line with UK regulations. This includes further details of our approach to identifying, managing and mitigating risks of modern slavery incidents in our operations and supply chain.

We have continued to work with the UK modern slavery charity, Unseen, to help us improve the way we manage and address risks. In 2023, Unseen carried out a gap analysis which we will use to help improve our modern slavery due diligence and prepare for upcoming EU regulations on corporate sustainability due diligence.

We are also working to comply with new sustainability due diligence regulations that have been introduced in Germany. In Australia, we publish our Modern Slavery statement on the EG Australia website.

Human rights – own operations

We have a limited number of food production sites across our proprietary food brands. We have identified food production sites as potentially high risk due to the use of temporary labour providers, though our use of such providers is minimal in the context of our overall recruiting methods.

To help improve our understanding of these risks, we carried out a Sedex ethical audit at one of our Cooplands' food production sites in 2023. The audit identified a number of positive practices, as well as areas for improvement, and we implemented an action plan in response. We plan to share key learnings with other food production sites across the Group.

We have also developed specific standards for labour providers. During 2023, all labour providers used by Cooplands have signed a declaration of compliance with the standards. We plan to roll these out to other markets in 2024.

In the UK and Australia, we also have a modern slavery e-learning module for all new colleagues to raise awareness of modern slavery risks. 17,204 colleagues completed this induction training in 2023 (2022: over 12,000).

Human rights – supply chains

Our procurement activities take place predominantly from our Group head office and shared services centre in Blackburn (UK), with support from regional offices in France, Italy, Germany, the Netherlands, the USA and Australia.

We aim to work with trusted brand partners that are well recognised globally or in their local markets and that have well-established human rights and environmental due diligence programmes.

We expect our suppliers and business partners to align with the Ethical Trading Initiative ("ETI") Base Code, an internationally recognised code of labour practice that is aligned with International Labour Organization conventions on worker rights. As part of our supply chain due diligence, we have started to work to incorporate clauses on ESG into supplier contracts and to monitor progress of suppliers through our new ESG supplier questionnaire, which we started to roll out in 2023.

The human rights section of our questionnaire asks suppliers if they have carried out a human rights risk assessment and asks details of their due diligence across their own operations and supply chain.

We have identified a number of supplier categories as higher risk, including uniform suppliers and EV equipment suppliers, due to the nature of their supply chains. We have started to engage with some suppliers in these categories to check their ethical audit processes, and are working to incorporate ethical audit requirements into new contracts for higher-risk suppliers.

ESG fundamentals continued

Governance

Good governance is an essential part of any approach to ESG. At EG, we have been on a journey towards good governance, and over the last few years we have made improvements including the introduction of independent Non-Executive Directors on the Board. Our Annual Report includes further details of our governance processes, including details of the remit and activities of the Board and Board-level committees, including the Remuneration Committee and Audit and Risk Committee.

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 $5m, except for human rights issues where no threshold is used). In 2023, we had no major non-compliances with ESG regulations.

Business ethics

We are committed to the highest standards of business ethics. Across each of our key markets, we have existing Codes of Conduct. In 2023, we started work to develop a Group-wide Code of Conduct, which will be finalised in 2024. This 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 have a Whistleblowing policy and procedure, and operate a confidential whistleblowing hotline which is accessible from our website. Our policy is to encourage our colleagues, customers and suppliers to speak up if they have any concerns without any risk of detriment. Our whistleblowing hotline is available to all stakeholders. The Audit and Risk Committee reviews whistleblowing reports on a quarterly basis.

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 tax authorities

See our **Tax Policy** on our website for further information.

ESG fundamentals continued

Governance continued

Public policy

We work collaboratively with regulators in the markets in which we operate, and seek to foster a positive relationship based on co-operation. This means that we engage with policymakers on a range of issues, and offer input to inform proposed legislation that will affect both our business as well as the broader sector. Our membership of trade associations and industry groups also helps to increase the impact of policy messages. This work in turn helps to inform our business strategy to ensure that we are able to react to potential changes in the future regulatory and political landscape.

Data protection and information security

We are subject to data protection and privacy laws and regulations within the jurisdictions in which we operate. We secure systems and databases to our own standards and legally required measures, such as Payment Card Industry compliance. We ensure that controls are in place to comply with data protection laws and regulations, including those relating to personal data and payment card data. 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.

EG takes a proactive approach to cyber security and uses ISO 27001 as a guide for our policies and procedures. We have a 24/7 Security Operations Centre and engage multiple systems to enhance our security position. Training is mandatory for all colleagues and a regular testing regime is maintained to identify training needs, especially in regard to phishing.

We track Group-wide data on information security incidents and data breaches which we are required to report to the authorities. In 2023, we had one reportable information security incident (2022: 0). In the USA, a small number of user accounts in our HR application were compromised by an external threat actor in early 2023. Compromised accounts were remediated and mitigation controls were put in place. Affected users and appropriate state offices were notified.

In 2023, we had two reportable data breaches (2022: 0). In Germany, an incorrectly addressed email inadvertently disclosed employment data of employees. This was notified to the regulator who took no further action. In the UK, an incident involving an estimated 18 customer accounts affected a provider to Leon Restaurants Limited (an entity which was disposed of in October 2023). It was reported to the regulator, who took no further action.

Data appendix

Contents:

Material ESG issues

As a retailer with global operations and supply chains, our impacts are extensive and varied. As ESG covers a broad set of issues, we regularly carry out materiality assessments to ensure our ESG strategy and reporting cover environmental and social issues where we can have the most impact, that matter most to our stakeholders, and are most relevant to our business.

Our last ESG materiality assessment was carried out in early 2022 with support from external consultants, and we plan to update this in 2024. We reviewed different areas of our business, including our products and supply chain, our own operations, our people, communities and governance. We identified issues based on stakeholder perspectives, impact on society and the environment, and on financial impact on our business. Key findings from our materiality assessment have informed the development of our ESG strategy and targets on pages 5 to 8.

Our materiality assessment was based on a review of:

- Our ESG activity
- External ESG trends including current and emerging legislation/ regulations, external standards and frameworks
- Peer benchmarking, including risks and opportunities in our sectors
- Stakeholder perspectives, including our colleagues, investors, customers and brand partners

Key findings of our materiality assessment

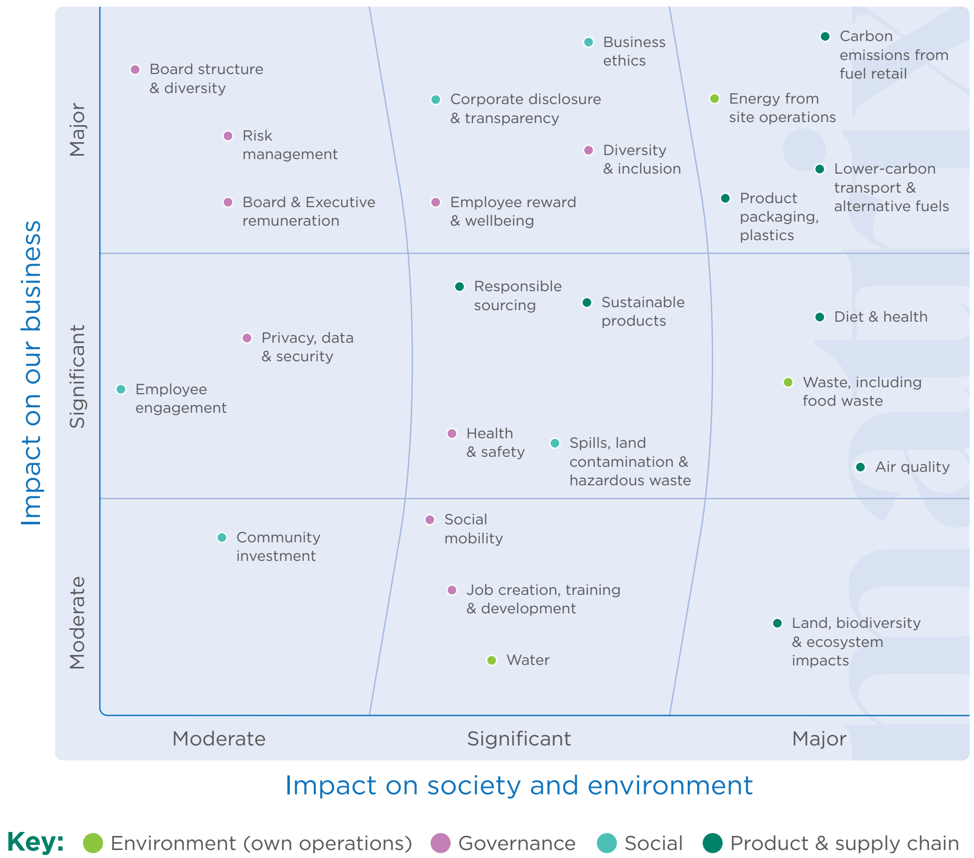
Key findings from our materiality assessment are summarised in the diagram below.

'Carbon emissions from fuel retail' was identified as the most significant ESG issue to both our stakeholders and our business (top right of the diagram). Other key issues include:

- Environment: Climate change and the energy transition. This includes climate change impacts across our own operations and our products and supply chain
- Social: Our workforce including diversity, equity and inclusion and employee reward and wellbeing
- Governance: Business conduct, including business ethics, Board structure and diversity, and corporate disclosure and transparency

Our ESG materiality matrix

As shown below, there are a wide range of other ESG issues that are relevant to our business, e.g. waste, health & safety, community investment and diet & health. We seek to manage and report annually on progress across the most material impacts and the wider range of issues.



About this report and our data

About this report

EG Group has published an annual standalone Environment, Social and Governance ("ESG") Report since 2021, which aims to provide a transparent account of our progress and future plans. This report covers our 2023 financial year (1 January to 31 December 2023).

We aim to report in line with external reporting standards and frameworks. Our Data appendix covers our contribution to the UN Sustainable Development Goals (page 51) and how we align with the Sustainability Accounting Standards Board ("SASB") standards.

In 2024, we will be working to prepare for upcoming reporting requirements, such as the EU Corporate Sustainability Reporting Directive ("CSRD").

Our Annual Report 2023 (available on our website) includes a detailed climate-related financial disclosure, which has been prepared in accordance with the climate reporting requirements in the UK Companies Act 2006 and covers the UK mandatory climate disclosure ("UK MCD") requirements set out in the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022. It also includes the energy and carbon data required under the UK 'Streamlined Energy and Carbon Reporting' ("SECR") regulations.

About our data

We report Group-wide data that covers our global operations. In 2023, our operations covered ten markets across the United Kingdom & Ireland, Continental Europe, Australia and the USA.

Our reporting boundary is based on 'operational control', i.e. we report data for entities where we have had full authority to introduce and implement our operating policies. Our carbon footprint data also covers our value chain (see page 54 for our carbon data methodology).

Footnotes have been added to the data tables on subsequent pages to explain any data gaps, estimates or assumptions.

We have restated some of our data for previous years to reflect improvements to our data methodology. We have added footnotes to our data tables to show where we have made data restatements for 2021 and 2022.

Business changes

We disposed of the majority of our UK business at the end of October 2023. Where we report data relating to our activities during the year (e.g. energy, waste, water, training, employee accidents, charitable activity), our Group data includes our UK operations up until the point of disposal (i.e. ten months from 1 January to 31 October 2023).

Where we report Group data that provides a snapshot of the business at the end of the year (31 December 2023) e.g. employee diversity and inclusion, this excludes the disposed UK operations and therefore the data is not comparable with previous years.

Next year, where possible, we plan to restate data (including our 2021 baseline year) to exclude disposed UK operations, to allow us to track progress on a like-for-like basis in future. There were no other significant changes to our business during 2023.

We report utilities data for sites that have been open for at least six months to allow sufficient time to implement data collection processes and systems. The only exception is in the UK, where we report utilities data for new sites from the date they open, to align with the UK 'SECR' regulation.

Environment data

Carbon emissions summary

We aim to measure and report 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 54 for details of our carbon data methodology.

Greenhouse Gas Protocol scope	Units	2021	2022	**2023**
Scope 1	Tonnes CO_2e	42,941	53,270	**44,840**
Scope 2[(1)]	Tonnes CO_2e	294,166	285,377	**311,883**
Scope 3 upstream – purchased goods and services	Tonnes CO_2e	12,467,371	12,366,032	**12,032,053**
Scope 3 downstream – use of sold products	Tonnes CO_2e	40,535,915	40,163,270	**38,202,971**
Scope 3 – other[(2)]	Tonnes CO_2e	135,673	125,727	**110,058**
Scope 1, 2 and 3 total	Tonnes CO_2e	53,476,066	52,993,677	**50,701,804**
Scope 1, 2 and 3 total relative to EBITDA	Tonnes CO_2e per $m EBITDA	32,214	33,308	**34,919**

(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 our own operations (Scope 1 and 2) is based on our market-based emissions. We also measure and report on our location-based Scope 2 emissions which is based on average electricity grid emissions factors for each country; see table to the right. Data restated for 2021 and 2022 due to improvements in our methodology (see footnotes in table below).

(2) See separate table on our Scope 3 carbon emissions (page 43) for a breakdown of other Scope 3 categories.

Note: some data restated for 2021 and 2022 due to improvements in our methodology (see tables below for details).

Scope 1 and 2 carbon emissions – detail

Greenhouse Gas Protocol scope	Units	2021	2022	**2023**
Scope 1				
Property: gas and other fuels[(1)]	Tonnes CO_2e	14,058	15,923	**13,655**
Property: fugitive emissions from cooling and refrigeration[(2)]	Tonnes CO_2e	8,649	10,992	**10,370**
Transport: dedicated fleet[(3)]	Tonnes CO_2e	16,103	21,661	**17,134**
Business travel (company-owned and leased vehicles) – fuel[(4)]	Tonnes CO_2e	4,131	4,695	**3,680**
Scope 2				
Property: purchased electricity (market based)[(5)]	Tonnes CO_2e	294,166	285,323	**311,824**
Property: purchased electricity (location based)[(6)]	Tonnes CO_2e	256,781	247,739	**247,445**
Business travel (company-owned and leased vehicles) – electricity[(7)]	Tonnes CO_2e	Not available	54	**59**
Scope 1 and 2 total (market based)	Tonnes CO_2e	337,107	338,648	**356,722**
Scope 1 and 2 total (location based)	Tonnes CO_2e	299,722	301,063	**292,344**
Scope 1 and 2 total (market based) relative to EBITDA	Tonnes CO_2e per $m EBITDA	203	213	**246**

(1) Data restated for 2021 to exclude a small number of sites that are not part of our Scope 1 and 2 boundary.

(2) Data restated for 2021 and 2022 to exclude refrigerant removals and to include more accurate data for a number of entities, including LEON, Northern Ireland & Republic of Ireland and Benelux (previously estimated).

(3) Data restated for 2022 due to correction in the units for USA and reclassification of Germany data from dedicated fleet to business travel.

(4) Data restated for 2022 due to correction in the units for USA and reclassification of Germany data from dedicated fleet to business travel.

(5) Market-based emissions from electricity take into account the specific electricity tariffs we use. Data restated for 2021 to exclude a small number of sites that are not part of our Scope 1 and 2 boundary and data restated for 2022 to include actual data for non-retail sites in Italy (previously estimated).

(6) Location-based emissions from electricity are based on average electricity grid emissions factors for each country. Data restated for 2021 and 2022 (see above).

(7) Electricity from company-owned and leased vehicles has been reported for the first time for the past two years (2022 and 2023).

Environment data continued

Scope 3 carbon emissions – detail

Our Scope 3 data covers the carbon emissions we consider to be 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.

Greenhouse Gas Protocol scope and category	Units	2021	2022	2023
Upstream Scope 3 emissions				
Category 1: Purchased goods and services[1]	Tonnes CO_2e	12,467,371	12,366,032	**12,032,053**
– Fuel	Tonnes CO_2e	10,607,994	10,413,292	**10,107,445**
– Grocery & Merchandise	Tonnes CO_2e	1,619,106	1,633,730	**1,601,534**
– Foodservice	Tonnes CO_2e	240,271	319,010	**323,074**
Category 2: Capital goods	Tonnes CO_2e	Not available – minimal impact	Not available – minimal impact	**Not available – minimal impact**
Category 3: Fuel and energy-related activities (not included in Scope 1 and 2)[2]	Tonnes CO_2e	96,171	85,591	**68,090**
Category 4: Upstream transportation and distribution[3]	Tonnes CO_2e	Not applicable	Not applicable	**Not applicable**
Category 5: Waste generated in operations[4]	Tonnes CO_2e	39,501	40,111	**40,341**
Category 6: Business travel[5]	Tonnes CO_2e	Not available	25	**1,627**
Category 7: Employee commuting	Tonnes CO_2e	Not available	Not available	**Not available**
Category 8: Upstream leased assets	Tonnes CO_2e	Not applicable	Not applicable	**Not applicable**

(1) Category 1: data restated for 2021 and 2022 due to changes in our methodology (see page 54 for details).

(2) Category 3: It should be noted that our data for category 3 does not include emissions from electricity we sell to customers for EV charging since we have reported this under category 11 (use of sold products). Data restated for 2021 and 2022 mainly due to changes in our methodology (see page 54 for details). Note – we made a number of minor updates to our data for 2021 (we excluded a small number of sites that are not part of our Scope 1 and 2 boundary) and 2022 (we updated data for non-retail sites in Italy by replacing estimates with actual data).

(3) Category 4: Most supplier transport is already included in category 1 (covered in our COGs data) and upstream emissions from fuel and electricity purchased for resale is already included in category 3. Emissions from our own transport are included in our Scope 1 data.

(4) Category 5: Data covers waste generated in our operations and water use. Data has been restated for 2021 and 2022 for both waste and water use (see waste and water tables on page 46 for details).

(5) Category 6: Data reported for business travel by road since 2022. In 2023, we reported data for the first time on business travel by air and hotel stays.

Environment data continued

Scope 3 carbon emissions – detail continued

Greenhouse Gas Protocol scope and category	Units	2021	2022	2023
Downstream Scope 3 emissions				
Category 9: Downstream transportation and distribution	Tonnes CO_2e	Not applicable	Not applicable	**Not applicable**
Category 10: Processing of sold products	Tonnes CO_2e	Not applicable	Not applicable	**Not applicable**
Category 11: Use of sold products[(6)]	Tonnes CO_2e	40,535,915	40,163,270	**38,202,971**
– Customer use of fuel	Tonnes CO_2e	40,535,586	40,163,193	**38,201,633**
– Customer use of electricity for EV charging	Tonnes CO_2e	330	78	**1,338**
Category 12: End-of-life treatment of sold products[(7)]	Tonnes CO_2e	Not available	Not available	**Not available**
Category 13: Downstream leased assets[(8)]	Tonnes CO_2e	Not available	Not available	**Not available**
Category 14: Franchises[(9)]	Tonnes CO_2e	Not applicable	Not applicable	**Not applicable**
Category 15: Investments[(10)]	Tonnes CO_2e	Not available – minimal impact	Not available – minimal impact	**Not available – minimal impact**
Scope 3 total	**Tonnes CO_2e**	**53,138,959**	**52,655,029**	**50,345,082**
Scope 3 relative to EBITDA	**Tonnes CO_2e per $m EBITDA**	**32,011**	**33,096**	**34,673**

(6) Category 11: This data covers emissions from customer use of fuel we sell and customer use of electricity we sell for EV charging. Data restated for 2021 and 2022 due to changes in our methodology (see page 54 for details).

- Our emissions from customer use of fuel do not include emissions arising from combustion of biofuels in the fuel we sell. In line with the GHG Protocol, we report these separately since they fall outside of the GHG Protocol scopes. Our 'outside of scopes' emissions (tonnes of CO_2e) are: 2,227,118 in 2023, 1,691,507 in 2022 and 1,724,366 in 2021.
- Our emissions from customer use of electricity for EV charging are calculated using the market-based approach. We purchase renewable electricity for our own brand 'evpoint' charging stations in the UK, which has zero carbon emissions. Some of our third-party charging partners also use renewable electricity tariffs for the third-party EV charging points on our sites.

(7) Category 12: This was reported in previous years as 'not applicable'. We have amended it to 'not available' since this category includes emissions from the disposal of packaging for food, food waste and all non-consumables.

(8) Category 13: This was reported in previous years as 'not applicable'. We have amended it to 'not available' since EG Group has some sites that are company owned, but not company operated and therefore could be relevant to category 13 on downstream leased assets.

(9) Category 14: This is not applicable since EG Group is not a franchisor (i.e. does not grant licences to other entities to sell or distribute its goods or services in return for payments, such as royalties for the use of trademarks and other services). It should be noted that our Scope 1 and 2 data covers EG Group activities as a franchisee.

(10) Category 15: This was reported in previous years as 'not applicable'. We have amended it to 'not available – minimal impact' since EG Group has a small number of equity investments, e.g. investment in Hydrogen Vehicle Systems Ltd.

Environment data continued

Fuel sold

	Units	2021	2022	2023
Total volume of fuel sold	Billion litres	17.7	17.6	**16.8**

Fuel spills

We have emergency response procedures and escalation processes in place in all our markets, for any potential spill or leaks. Since 2021, we have had one serious spill in Australia (2022) and two in the USA (2021 and 2023). These were acted on and resolved, and in the case of the spill in 2023, is in the process of being remediated. Investigation is ongoing as we work with regulatory authorities to identify the extent of the impact to soil and groundwater. Remediation will consist of soil excavation after the underground storage tank system is removed. Thereafter, we will monitor groundwater concentrations to ensure that regulatory standards are met.

	Units	2021	2022	2023
Major spills/releases requiring clean up	Number	1	1	**1**

Customer electric vehicle charging

	Units	2021	2022	2023
Number of electric vehicle charging points	Number	250	470	**578**
Number of 'evpoint' charging points	Number	Not available	Not available	**197**
Estimated carbon emissions avoided from customer electric vehicle charging[1]	Tonnes CO_2e	Not available	Not available	**11,090**

[1] Data covers our own charging points and third-party chargers.

Property – energy use

	Units	2021	2022	2023
Property – total electricity consumed[1]	GWh	737.5	787.3	**748.3**
Property – electricity purchased from grid electricity	GWh	724.5	727.3	**734.7**
Property – electricity purchased from zero carbon renewables	GWh	6.6	52.5	**6.7**
Property – electricity generated on site from renewables (solar PV)	GWh	6.4	7.5	**6.9**
Property – gas and other fuels	GWh	73.0	83.1	**72.0**
Property – total energy consumption	GWh	810.5	870.4	**820.4**
Property – energy efficiency[2]	kWh/m^2 internal area	Unavailable	Unavailable	**769**
Property – % electricity from renewables (purchased and generated on site)	%	1.8	7.6	**1.8**

[1] Data for property electricity excludes electricity purchased for customer charging of electric vehicles, where this is metered separately. This is reported in Scope 3 category 11 (use of sold products).

[2] We collected data on internal floor space (at year end) for the first time in 2023, which has enabled us to report energy efficiency for 2023 for the sites that were in operation at year end. Our data for energy efficiency covers around 80% of our sites (we have excluded sites for which we do not have data on internal floor space).

Note: energy data has been restated for 2021 and 2022 (see previous table on Scope 1 and 2 carbon emissions for details).

Environment data continued

Total waste

	Units	2021	2022	2023
Waste disposed to landfill	Thousand tonnes	79	81	**73**
Waste-to-energy	Thousand tonnes	61	54	**53**
Waste recycled	Thousand tonnes	32	31	**29**
Total waste generated	Thousand tonnes	171	165	**155**
Recycling rate	% of waste generated	19	18	**19**
Landfill diversion rate	% of waste generated	54	51	**53**

The total waste data covers day-to-day operational waste arising from our sites, including food waste (except food waste redistributed which is reported separately in the next table). It does not include any construction waste and/or wood pallets that are reused or recycled.

Waste-to-energy includes incineration with energy recovery (94% of waste-to-energy in 2023) and food waste sent for anaerobic digestion (6% of waste-to-energy in 2023).

Waste recycled includes a small element of food waste sent for composting.

Waste data was estimated for Italy for 2021, 2022 and 2023. Estimates are based on waste data in other markets.

Note: waste data for 2021 and 2022 has been restated due to improvements in our data methodology (e.g. we have used new conversion factors for the USA, we have made more accurate estimates for the USA and France and we have updated our calculations for Belgium).

Food waste

	Units	2021	2022	2023
Food waste diverted from landfill and incineration	Thousand tonnes	9.2	10.4	**5.2**
Food waste redistributed				
Number of bags of food saved via Too Good To Go	Number	734,482	967,499	**1,477,506**
Estimated tonnes of food waste saved via Too Good To Go	Tonnes	734	967	**1,478**
Estimated carbon emissions avoided from food waste saved via Too Good To Go[1]	Tonnes CO_2e	1,982	2,612	**3,989**
Number of meals donated to Feeding America	Number	529,533	482,913	**486,180**
Tonnes of food waste donated to Feeding America	Tonnes	288	264	**265**

[1] Data for 2021 and 2022 restated due to updated emissions factors provided by Too Good To Go.

Water use

	Units	2021	2022	2023
Water use	millions m^3	3.5	3.8	**3.7**

Water data is estimated for most of the Group. Estimates are based on previous years' data or water consumption in other markets. The total water data for 2021 and 2022 has been restated as result of improvements in data collection processes.

Social data

Employees by type of contract

Data as at year end (31 December)	Units	2021	2022	2023
Employees on full-time contracts	%	40	37	**38**
Employees on part-time contracts	%	60	63	**62**

Diversity and inclusion

Data as at year end (31 December)	Units	2021	2022	2023
Total employees – men	%	44	45.4	**47**
Total employees – women	%	56	53.4	**52**
Total employees – do not identify as either gender	%	0	1.2	**1**
Senior leadership – men[1]	%	80	76	**77**
Senior leadership – women[1]	%	20	24	**23**
Group Executive – men	%	100	100	**100**
Group Executive – women	%	0	0	**0**
Board – men	%	87.5	87.5	**87.5**
Board – women	%	12.5	12.5	**12.5**

(1) This includes members of the Board, Group Executive, managers who report directly to any member of the Group Executive and senior leadership teams within each country who report to the country CEO/country manager. Data has been restated for 2021 and 2022 as a result of improvements to our HR data collection systems.

Data as at year end (31 December)	Units	2021	2022	2023
Ethnic diversity				
Total employees – from an ethnic minority[1]	%	19	27	**32**
Board – from an ethnic minority	%	50	50	**50**
Group Executive – from an ethnic minority	%	71	71	**71**
Disability[2]				
Total employees – with a disability	%	1.0	1.0	**1.1**
Age	%			
18 and under	%	7	9	**7.2**
19-21	%	17	13	**13.4**
22-49	%	58	59	**60.0**
50+	%	18	19	**19.4**

(1) Data on ethnic diversity is based on self-declared and voluntarily shared data. It is collected in the USA and UK, which represents 70% of the total colleague workforce (it is unavailable in our other markets).

(2) Data on disability is based on self-declared and voluntarily shared data. It is collected across all markets except for Benelux (where regulation does not allow data to be collected).

Social data continued

Gender pay gap – UK only

We report our Gender Pay Gap (the average difference between remuneration for women and men) for our UK entities as required under UK legislation. We report this on our website as well as the UK Government's database. Any positive value shows where men are paid more than women, and any negative value shows where women are paid more than men. Since the disposal of the majority of our UK entities in 2023, in future we expect to report gender pay gap data for a smaller number of UK entities.

Employee engagement

	Units	2021	2022	2023
Number of respondents to our employee engagement survey	Number	16,265	Not applicable	**14,741**
Employee engagement score	%	62	Not applicable	**70**

We did not carry out a Group-wide survey in 2022. The 2023 survey was completed across all our markets except the UK, due to business changes (see page 41). In 2023, we carried out a further, additional survey in the USA following the 2023 Group-wide survey, which again showed further improvements in the engagement score and response rate in the USA.

Employee turnover rate

Data covers all employees who left (including voluntary and involuntary leavers). UK data does not include those colleagues who were affected by the disposal of the majority of our UK business in October 2023.

	Units	2021	2022	2023
UK	%	39	69	**62**
France	%	85	96	**116**
Germany	%	38	52	**55**
Italy	%	4	19	**27**
Belgium	%	38	21	**54**
Netherlands	%	35	72	**58**
Luxembourg	%	Not available	38	**38**
USA	%	134	150	**139**
Australia[1]	%	53	58	**52**

(1) Data for Australia for 2021 covers twelve months from July 2021 to June 2022.

Social data continued

Employee training

	Units	2021	2022	2023
Employee training hours	Million hours	2.3	2.7	**2.1**
Employees that have completed the ESG training	Number	Not applicable	Not applicable	**18,458**
Number of apprenticeships	Number	316	211	**226**

Health and safety – food safety recalls

	Units	2021	2022	2023
Number of significant own-brand food safety recalls	Number	0	0	**0**

Health and safety – employee accidents

	Units	2021	2022	2023
Fatalities				
Work-related fatalities	Number	0	0	**0**
Accidents				
Work-related lost time accidents	Number	Not available	300	**262**
Work days lost as a result of lost time accidents	Number	Not available	10,511	**7,530**
Rate for work-related lost time accidents	Number per 100,000 hours worked	Not available	0.39	**0.37**

In 2023, we spent time reviewing and improving our lost-time accidents' data in the USA, which has led to data for 2022 being restated for that market. Data for 2021 lost-time accidents in the USA could not be restated, and therefore all 2021 data has been removed from the table as it is not comparable with 2022 or 2023.

Human rights

	Units	2021	2022	2023
Number of employees that have completed EG compliance training on modern slavery/human rights	Number	17,445	12,076	**17,204**
Number of incidents of modern slavery[1]	Number	1	1	**0**

[1] Given the hidden and complex nature of criminality in the exploitation of people, in 2023 we decided to partner with the UK modern slavery charity Unseen. Together with Unseen, we have provided detailed training for HR and other teams on modern slavery, and have raised awareness at our UK stores of the 24/7 modern slavery helpline run by Unseen. In 2021, we were notified by a colleague of their personal circumstances which led to us contacting authorities to investigate a potential case of modern slavery. In 2022, as previously disclosed, we became aware of one potential incident of modern slavery in our UK business. The colleague in question was referred to the authorities, to ensure their own safety and to allow the authorities to investigate. In neither case was EG implicated in any wrongdoing, and in both cases, once we had alerted the authorities the cases were dealt with by them without further involvement from EG. See page 36 for more on our partnership with Unseen.

Charitable activity

	Units	2021	2022	2023
Number of organisations that benefited from our community support activity	Number	11	15	**64**
Total fundraised	$ million	1.0	1.8	**2.8**
EG Foundation – UK only				
Number of grants made	Number	11	24	**40**
Total value of grants made	$ thousand	299	186	**155**

Our total community investment was $3m, which includes charitable donations, gifts in kind and fundraising efforts. We fundraised $2.8m for charitable causes, up from $1.8m in 2022.

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. We use a financial threshold of $5m (except for human rights issues where no threshold is used).

	Units	2021	2022	**2023**
Major non-compliances with ESG regulations	Number	1	0	**0**

In 2021, we had one case in the USA which was settled, involving meal and rest breaks for colleagues. As a consequence, we made improvements, including managerial training and payroll system changes.

Data protection and information security

We are subject to data protection and privacy laws within the jurisdictions in which we operate, including regulations relating to use of personal data and payment card data. We track Group-wide data on information security incidents and data breaches which we are required to report to the authorities.

	Units	2021	2022	**2023**
Reportable information security incidents	Number	0	0	**1**
Reportable data breaches	Number	2	0	**2**

We track Group-wide data on information security incidents and data breaches which we are required to report to the authorities. Further details of the incidents reported in the table above are disclosed on page 38.

Our contribution to the UN SDGs

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 Scope 1 and 2 carbon footprint from our own operations by 50% by 2030 (from 2021) and reach net zero by 2050 • Develop a Scope 3 carbon reduction target in 2024 which covers emissions across our value chain • 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	11 Sustainable cities and communities; 12 Responsible consumption and production
Colleagues	
Diversity, equity and inclusion • Implement a Diversity, Equity and Inclusion Plan in each of our operating markets by 2024 • Increase the percentage of women in senior leadership positions[1] from 20% in 2021 to at least 40% in 2025	5 Gender equality; 10 Reduced inequalities
Employee engagement • Improve our engagement score year on year, from 62% in 2021	8 Decent work and economic growth
Training and development • Ensure every colleague has access to development opportunities • Create 500 apprenticeships by 2025 (from 2021)	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 up to 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, managers who report directly to any member of the Group Executive and senior leadership teams within each country who report to the country CEO/country manager. Data has been restated for 2021 and 2022 as a result of improvements to our HR data collection systems.

SASB index

Oil and gas – refining and marketing sustainability accounting standard

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

The SASB Refining and Marketing standard is applicable to companies in both the fuel retail sector and oil and 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) and Data appendix. We do not report % covered under emissions-limiting regulations, as this is not material since we do not have refineries.	Climate change, page 14 Data appendix, page 42
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) and report progress against our target. In 2023, our Scope 1 emissions decreased by 4% from 2021.	ESG targets, page 6 Climate change, page 14
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	3.7m m^3 total water use. We do not report on % recycled or according to regions of water stress.	Water, page 33 Data appendix, page 46
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.	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 21 Data appendix, page 46
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 34

SASB index continued

Oil and gas – refining and marketing sustainability accounting standard continued

SASB metric	SASB code	Summary of our data	Further details
Workforce health and safety			
1. Total recordable incident rate ("TRIR")	EM-RM-320a.1	0.37 lost time accidents per 100,000 hours worked.	Health and safety, page 35 Data appendix, page 49
2. Fatality rate		No fatalities.	
3. Near miss frequency rate ("NMFR") for (a) full-time employees and (b) contract employees		We record near misses in our internal health and safety reporting system but do not report this externally.	
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 and 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 37
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 34 Data appendix, page 45
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 methodology

We aim to report our greenhouse gas ("GHG") emissions in line with the WRI/WBCSD Greenhouse Gas Protocol ('GHG Protocol') which covers three categories:

- **Scope 1** – Emissions directly from our own operations
- **Scope 2** – Indirect emissions from purchased electricity, steam or heating
- **Scope 3** – Indirect emissions from our upstream and downstream value chain

We measured our Group-wide carbon footprint for the first time in 2021 and use this as our baseline to track progress over time. To ensure the accuracy of our baseline year data, our Scope 1 and 2 carbon emissions data for 2021 was subject to an external assurance review carried out by DNV (see our ESG Report 2021).

In 2023, we commissioned the Carbon Trust to carry out an independent review of our Scope 1 and 2 data for 2023 and our Scope 3 data methodology. Following the review, we made some changes to the way we calculate and report our carbon emissions to improve the accuracy of the data. See methodology section (below) for details of the key changes to our methodology.

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 data for our operations (including Scope 1 and 2 energy, site waste and site water use) covers all our company-operated retail sites and non-retail sites and excludes sites that are dealer operated. Our Scope 3 data covers our wider value chain footprint.

Emission factors

We use emission factors published by the UK Government (DEFRA/BEIS) where available, which covers most of our data. The following data is calculated using other emissions factors (details are provided in the methodology section below):

- Non-UK location-based electricity (Scope 2)
- Residual emission factors for market-based electricity (Scope 2)
- Non-UK upstream emissions from electricity (Scope 3 category 3)
- 'Average biofuel blend' for petrol and diesel (Scope 1, Scope 3 categories 1, 3 and 11)

Most of our data for refrigerants and hotel stays is calculated using DEFRA/BEIS emission factors except where stated in the methodology.

Data restatements

We have restated some of our data for previous years to reflect improvements to our data methodology. We have added footnotes to our data tables to show where we have made data restatements for 2021 and 2022.

Carbon data methodology continued

Scope 1 and 2 data methodology

Property energy

Our property energy data covers our retail and non-retail sites. It includes electricity, gas and other fuels, including heating oil and gas oil.

We report carbon 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.

We calculate carbon emissions from energy consumption data, using DEFRA emission factors except for location-based electricity outside the UK where we use IEA factors. For gas and other fuels, we use the 'gross' calorific value (higher heating value) where there is an option to use 'gross' or 'net' values.

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.

For electricity, we calculate carbon emissions using both the location-based and market-based approaches. We track progress against our Scope 1 and 2 carbon target using our market-based emissions.

LOCATION-BASED EMISSIONS:

- Our location-based emissions from electricity are calculated using country-specific emission factors that take into account the different energy mixes used to generate electricity in each country (i.e. grid average emissions factors).
- We use DEFRA/BEIS emission factors for the UK and IEA emission factors for other countries (in line with the DEFRA/BEIS methodology).

MARKET-BASED EMISSIONS:

- 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.
- For non-renewable sources, we have followed the approach set out in the GHG Protocol Scope 2 Guidance to use residual mix emission factors for each country. We use residual emission factors published by the Association of Issuing Bodies ("AIB") for UK and Europe, Green-e for the USA and NGA for Australia.
- 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.

We have calculated the carbon savings from on-site solar panels by estimating what the carbon emissions would have been if the electricity generated was purchased (using location-based emission factors).

Fugitive emissions (refrigerants)

We report carbon 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 also includes refrigerant gases used in a small number of dedicated refrigerated vehicles in the UK (Cooplands) and in the USA.

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

We use DEFRA/BEIS carbon emissions factors for refrigerant gases. We also use European Commission emission factors for a small number of refrigerant gases that are not covered by DEFRA/BEIS.

Estimates and assumptions for 2023:

- Data was estimated for the USA and France (based on the leakage rate for countries that reported data). The estimates for the USA are for site data and refrigerated vehicles (based on average emissions per vehicle).

Scope 1 transport

Our Scope 1 transport data covers carbon emissions from dedicated fleet vehicles and business travel by road in company-owned and leased vehicles.

We calculate the emissions based on fuel use (from fuel cards) or distance travelled by type of vehicle (if fuel use is unavailable).

We have dedicated fleet vehicles in Benelux and France (for fuel distribution), the USA (for food distribution) and the UK (for Cooplands store deliveries).

Data for dedicated fleet and business travel by road was restated for previous years to account for the biofuel content in the diesel and petrol (using the same approach as for Scope 3, category 11).

Carbon data methodology continued

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, following GHG Protocol guidance on materiality. These are category 1 (purchased goods and services) and category 11 (use of sold products). We also report data for category 3 (fuel and energy-related activities that are not covered in Scope 1 and 2), category 5 (waste) and category 6 (business travel).

Our Scope 3 data table (page 43) indicates the categories which are not applicable to our business and those where data is not currently available. We seek to improve the accuracy of our data over time and in 2023, we extended the scope of our data for category 6 from business travel by road to also include business travel by air and hotel stays.

Category 1: Purchased goods and services

Our category 1 data covers upstream emissions from purchased goods and services for resale across our three business divisions – Fuel, Foodservice and Grocery & Merchandise. It does not cover goods and services not for resale or FLAG (Forest Land and Agriculture) emissions.

FUEL

- We calculate the carbon emissions from the litres of fuel we sell to customers, using emission factors for the different types of fuel we sell, including petrol, diesel, biodiesel, HVO, LPG, gas oil and aviation turbine fuel.
- For the UK, we use DEFRA/BEIS well-to-tank emissions factors to calculate category 1 upstream emissions (we also report emissions from customer use of fuel in category 11). For petrol and diesel in the UK, we use the DEFRA/BEIS emission factors for ‘average biofuel blend’ which take into account the biofuel blended into petrol and diesel.
- For other countries, we use DEFRA/BEIS emission factors for all fuels except petrol and diesel. We calculate our own emission factors for the ‘average biofuel blend’ for petrol and diesel (based on S&P Global Commodity Insights data on biofuel content of petrol and diesel across each country), following the methodology set out in the DEFRA/BEIS guidance.
- We also include upstream emissions (well-to-tank and transmission and distribution) from customer EV charging in category 1.
- In previous reports, we used a spend-based emission factor to calculate category 1 upstream emissions from fuel, which we applied to Cost of Goods sold. We have restated our data for 2021 and 2022 using our updated methodology.

FOODSERVICE AND GROCERY & MERCHANDISE

- We calculate the carbon emissions from data on Cost of Goods sold (“COGs”) for Foodservice and Grocery & Merchandise.
- We have created our own average emission factors for these two categories which are based on DEFRA/BEIS 2020 emissions factors for products that are widely sold across our two categories. We have also adjusted these annually to account for inflation. In previous reports, we used a different source for spend-based emission factors. We have restated our data for 2021 and 2022 using our updated methodology.

Category 3: Fuel and energy-related activities

(NOT INCLUDED IN SCOPE 1 AND 2)

Our category 3 data on CO_2e from fuel and energy-related activities covers transmission and distribution losses from Scope 2 electricity and well-to-tank emissions from Scope 1 and 2 energy.

TRANSMISSION AND DISTRIBUTION LOSSES

- We calculate the carbon emissions from electricity data (see Scope 2 section). We use DEFRA/BEIS emission factors for ‘transmission and distribution’ for the UK and IEA for other countries.

WELL-TO-TANK EMISSIONS

- We calculate the carbon emissions from data on energy use (see Scope 1 and 2 section). We use DEFRA/BEIS emission factors for ‘well-to-tank’ for the UK and IEA for other countries, including IEA ‘fuel cycle’ and ‘life cycle T&D’ emission factors which were published for the first time in 2023 (in previous reports, we used DEFRA/BEIS methodology for calculating the well-to-tank emissions from IEA data for other countries).

It should be noted that our data for category 3 does not include emissions from electricity we sell to customers for EV charging since we have included customer emissions from EV charging in category 11 (use of sold products) and upstream emissions from customer EV charging under category 1 (purchased goods and services).

Category 5: Waste generated in operations

Our category 5 data includes carbon emissions from waste and water use.

WASTE

- We calculate carbon emissions from data on tonnes of waste and recycling, using DEFRA/BEIS carbon emission factors.
- Where accurate waste data is not recorded by contractors, 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. We also do not include data on wood pallets that are reused or recycled.

Carbon data methodology continued

Scope 3 data methodology continued

Category 5: Waste generated in operations continued

WATER USE

- We calculate carbon emissions from data on mains water use, using DEFRA/BEIS carbon emission factors.
- Where accurate data is not available (from meter readings or invoices), 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.

ESTIMATES AND ASSUMPTIONS 2023:

- Waste data in the USA is based on number of collections and size of bins. We then convert to tonnes using density factors from our waste contractors (previously we used DEFRA density factors but have restated data for 2021 and 2022 to use the new density factors). For non-recycled waste, we estimate the percentage to landfill and incineration-with-energy recovery based on EPA national averages.
- In Italy, we have estimated the total volume of waste based on volumes in other countries and have allocated the proportions to landfill, incineration and recycling based on World Bank data on national averages.
- For 2022 and 2023, water data was estimated for Benelux, France and Italy (based on water consumption in other markets or previous year's consumption). 2021 and 2022 data for USA and Germany was restated based on 2023 consumption. 2021 data was estimated for France and Italy (based on water consumption in other markets).

Category 6: Business travel

Our category 6 data has covered business travel by road since 2022. In 2023, we extended the scope of our data to include business travel by air and hotel stays.

BUSINESS TRAVEL BY ROAD

- The data covers business travel claimed on expenses using employee-owned vehicles. Our Scope 1 and 2 data covers business travel using company-owned and leased vehicles.
- We calculate carbon emissions from fuel use (from fuel cards) or distance travelled by type of vehicle (if fuel use is unavailable), using DEFRA/BEIS carbon emissions factors.
- In the UK, this data only covers the last quarter of 2023, due to business restructuring.

BUSINESS TRAVEL BY AIR

- In all countries except the USA, we collect data on number of flights in different categories – short-haul (up to three hours), medium-haul (three to six hours) and long-haul (over six hours). We then convert this to distance – assuming 414km per short-haul flight, 1,537 km per medium-haul flight and 6,213km per long-haul flight. In the USA, we collect data by distance.
- We calculate the carbon emissions from distance using DEFRA/BEIS emission factors for the three categories (including radiative forcing).

HOTEL STAYS:

- We calculate carbon emissions from the number of hotel room bookings (number of nights) by country of stay. We use DEFRA/BEIS emission factors for hotel stays per country. For countries where DEFRA/BEIS emission factors are not provided, we use emission factors from **hotelfootprints.org.**

Our data does not cover other business travel including taxis, hire cars or rail journeys.

Category 11: Use of sold products

Our category 11 data covers emissions from customer use of fuel we sell and customer use of electricity we sell for EV charging.

CUSTOMER USE OF FUEL:

- We calculate the carbon emissions 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, burning oil and aviation turbine fuel.
- Most of the petrol and diesel we sell contains some biofuel, in line with regulatory obligations. For the UK, we use DEFRA/BEIS emissions factors for fuels, including the emission factor for 'average biofuel blend' for petrol and diesel which takes into account the average amount of biofuel that is blended into fuels in UK filling stations.
- For other countries, we use DEFRA/BEIS emission factors for all fuels except petrol and diesel. We calculate our own emission factors for the 'average biofuel blend' for petrol and diesel (based on S&P Global Commodity Insights data on biofuel content of petrol and diesel across each country), following the methodology set out in the DEFRA/BEIS guidance. In previous reports, we used 100% mineral diesel and petrol for other countries and therefore we have restated our data for previous years to account for the biofuel content.
- Our data for previous years has also been restated to exclude well-to-tank emissions from fuel sold (now reported in category 1).
- It should be noted that our data does not include fuel we sell to business customers in the UK under 'bunkering' arrangements, since we do not purchase the fuel for resale, but act as an agent whereby we hold fuel on behalf of others and receive commission. Therefore, this does not fall within the scope of the GHG Protocol boundaries.

CUSTOMER USE OF ELECTRICITY FOR EV CHARGING:

- We have calculated the carbon emissions from the electricity used for EV charging (using market-based emissions factors). We purchase renewable electricity for our own brand evpoint charging stations in the UK, which has zero carbon emissions. Some of our third-party charging partners use renewable electricity for third-party EV charging points on our sites.

Avoided emissions from EV charging

In 2023, we reported avoided emissions from EV charging for the first time.

We calculate this by estimating how far an EV can go using the electricity we supply, calculate the emissions from generating this electricity and compare this with the emissions that would have been generated by a petrol vehicle going the same distance. Our calculations take into account full life cycle emissions, including combustion emissions and upstream emissions (including well-to-tank and transmission and distribution losses).

Environment, Social and Governance (ESG) Report
2023

EG Group Limited
Waterside Head Office,
Haslingden Road, Guide,
Blackburn
Lancashire, BB1 2FA

Registered in England and Wales
Company Number: 09826582

www.eg.group