

## **Annual Lender Report No.6**

### **Corporate 'Green' Loan**

In July 2014 Sainsbury's announced that it had entered a £200m 'Green' bank loan with proceeds to be invested in on-going carbon reduction and sustainability projects including, for example, our award-winning project Graphite programme.

Project Graphite is focused on improving energy efficiency in our existing stores and investing in onsite renewable energy. This includes measures such as replacing existing lighting with energy efficient LED lamps, producing renewable heat from Ground Source Heat Pumps and installing Photovoltaic Solar Panels on our roofs.

Proceeds from the Green Loan will be used to further fund clean energy generation, energy efficiency, Carbon reduction through refrigeration gas replacement and water saving projects.

The key activities undertaken by the Company during the financial year 2019/20 were as follows:

- Installation of Aerofoil shelf edge technology in 296 stores
- Energy Efficiency and LED lighting in 160 existing stores, two new supermarkets and 13 new convenience stores
- Installation of over 11,000 water saving taps
- The installation of a Combined Heat and Power plant in one new supermarket
- Refrigeration system gas replacement to natural refrigerant (Carbon Dioxide) in 29 stores;

The full year effect of this work saves over 18.6 million kWh, which is equivalent to the annual electricity use of 10 mid-size supermarkets.

## Summary of Expenditure and Carbon Reduction 2019/20 (Year 6)

The data collection and methodology used to calculate the Greenhouse Gas savings shown in the table below has been independently verified by the **Carbon Trust** <sup>(1)</sup>

	2019/2020						Investment (£)
	YTD			Full Year Effect			
	Savings (kWh)	CO2 (ton)		Savings (kWh)	CO2 (ton)		
	Scope 1	Scope 2		Scope 1	Scope 2		
Energy Efficiency Programme	4,240,802	101	943	13,554,347	740	2,435	£6,507,180
CO <sub>2</sub> Refrigeration Replacement	-	15,717	-	-	16,484	-	£12,711,427
Energy Efficiency in new stores, refits and extensions	1,674,055	116	267	5,051,662	401	733	£892,389
<b>Total</b>	<b>5,914,857</b>	<b>15,934</b>	<b>1,210</b>	<b>18,606,010</b>	<b>17,626</b>	<b>3,168</b>	<b>£20,110,996</b>

- (1) The Carbon Trust has verified that the data collection and methodology J Sainsbury plc used to evaluate the savings from the investments included in this report are in accordance with the principles of the international standard ISO 14064-2. The Carbon Trust is an independent, expert partner of leading organizations around the world, helping them contribute to and benefit from a more sustainable future through carbon reduction, resource efficiency strategies and commercializing low carbon technologies.

## Summary of Expenditure and Carbon Reduction 2014/15, 2015/16, 2016/17, 2017/18, 2018/19 & 2019/20. (Year 1 + Year 2 + Year 3 + Year 4 + Year 5 + Year 6)

	Y1+Y2+Y3+Y4+Y5+Y6						Investment (£)
	YTD			Full Year Effect			
	Savings (kWh)	CO <sub>2</sub> e (tonnes)		Savings (kWh)	CO <sub>2</sub> e (tonnes)		
	Scope 1	Scope 2		Scope 1	Scope 2		
Energy Efficiency Programme	73,955,273	101	30,878	165,985,298	740	67,479	£ 101,092,535
CO <sub>2</sub> e Refrigeration Replacement	-	137,924	-	-	199,293	-	£ 79,879,509
Energy Efficiency in new stores, refits and extensions	28,323,552	1,124	9,287	64,958,870	2,648	20,478	£ 13,607,490
Graphite PV	391,079	-	193	8,389,898	-	4,147	£ 8,716,961
Graphite GSHP	4,521,729	715	323	15,851,209	2,508	1,133	£ 5,132,756
BMS lighting adjustment, defrost/suction optimisation and Greenest Grocer	27,074,511	-	10,820	42,601,602	-	17,547	£ 1,626,000
<b>Total</b>	<b>134,266,144</b>	<b>139,865</b>	<b>51,502</b>	<b>297,786,876</b>	<b>205,189</b>	<b>110,784</b>	<b>£ 210,055,251</b>