



# Carbon: Our Story So Far

Iceland  
*Doing it Right*

# **Our planet is facing an unprecedented, global environmental crisis.**

At Iceland, we believe that every business has a responsibility to take action against climate change and reduce its carbon footprint.



# Our targets

As well as our commitments to reducing food waste, tackling plastic pollution, and raising awareness of critical environmental issues such as global deforestation, we are working hard to cut down the carbon emissions in our own operations, reduce our energy demand, and maximise the use of environmentally-friendly gases.

In 2011, we set our targets to **reduce absolute carbon emissions** in Iceland's own operations by:

**30%**  
by 2020

**60%**  
by 2030

**100%**  
by 2042

Achieve net zero carbon emissions in our own operations, in line with the 1.5 degrees Celsius trajectory for the Paris Climate Agreement, and eight years ahead of the UK Government's target.

In 2020, we set a target for our own operations and our supply chain to be **net zero by 2040**

We are proud signatories to the BRC climate action roadmap, which brings together the retail industry on a roadmap to 2040 net zero, with the below targets.

**2030**

Net zero for retailer's UK electricity use

50% reduction in absolute GHG emissions

**2035**

Net zero for UK fuel, gas and refrigerant gas use

**2040**

Net zero for all products sold in the UK



Iceland is also a signatory to the Courtauld Commitment 2030, which brings together organisations across the food industry to reduce the environmental impact of food and drink, with the shared target of reducing absolute greenhouse gas emissions by 50% by 2030. This is aligned to a 1.5 degree Celsius pathway, and a milestone in achieving net zero by 2040.

The Climate Pledge which Iceland is a signatory, calls for businesses to be net zero by 2040, alongside committing to producing regular reporting, implementing decarbonisation strategies, and using credible offsets for remaining emissions.



# Reporting and Transparency



## Scope 1 and 2.

Our scope 1 and 2 carbon footprint is calculated and verified by Schneider Electric who follow the UK Government Greenhouse Gas Conversion factors for their calculations.



## Refrigeration.

From 2020, to improve reporting and transparency, we now include the use of refrigerant gases within our footprint.

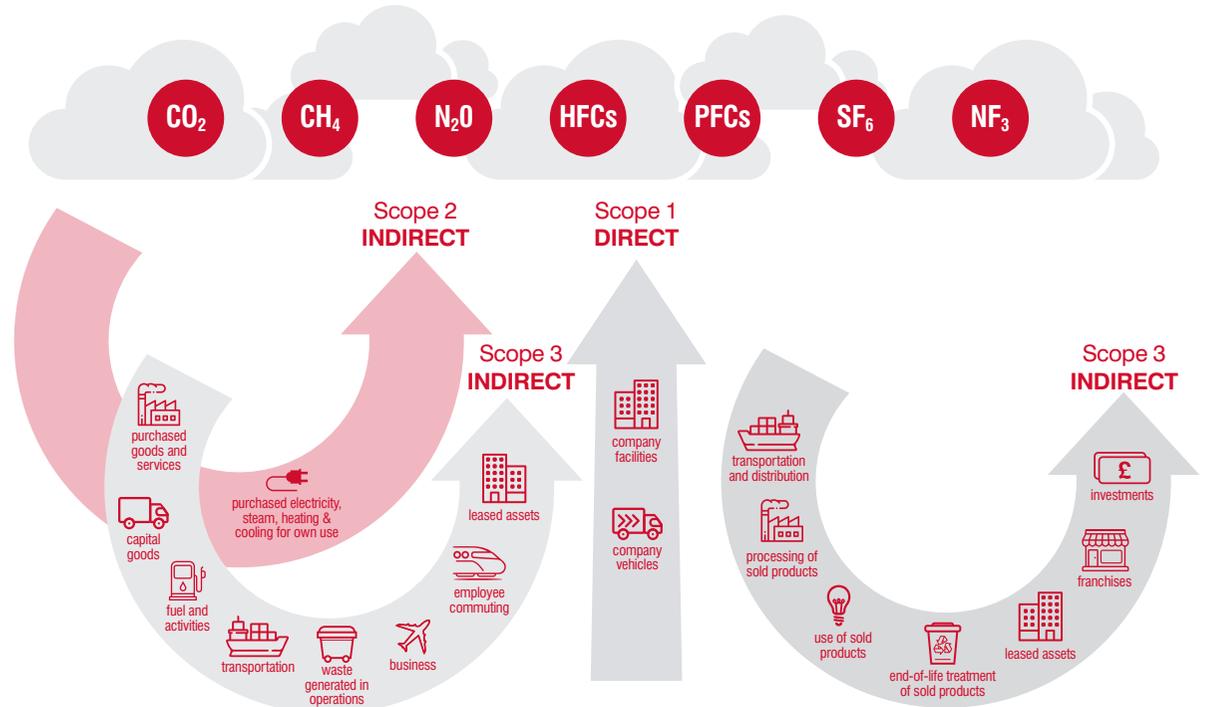
As industry leaders in frozen food, Iceland uses refrigerant gases throughout its operations; we follow best practice to minimise the losses of these gases and therefore the impact on our environment.



## Scope 3.

Iceland have been working with the Carbon Trust to calculate our scope 3 emissions. This data will be updated periodically to ensure it remains accurate.

Our full carbon footprint and methodology can be seen on pages 10-12.

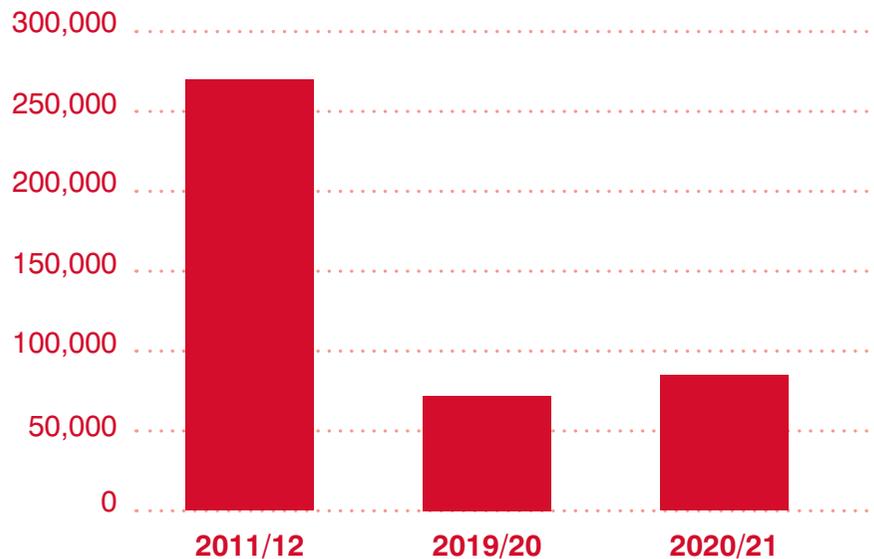


UPSTREAM ACTIVITIES	REPORTING COMPANY	DOWNSTREAM ACTIVITIES
<p><b>Scope 1 emissions</b> Our scope 1 includes emissions from heating and transport.</p>	<p><b>Scope 2 emissions</b> 100% of the electricity we purchase is from renewable sources, using the market-based method for scope 2 reporting.</p>	<p><b>Scope 3 emissions</b> Our scope 3 emissions cover our value chain; the majority of our emissions come from the production and processing of products we sell.</p>

# Our progress

In our baseline year of 2011/12, the business generated 263,461 tCO<sub>2</sub>e through its direct operations (Scope 1 and 2 emissions). The majority of our remaining scope 1 and 2 emissions are directly attributed to transporting product across our business and to our customers. For 2020/21 we generated **79,477 tCO<sub>2</sub>e**, which is a **70% reduction** on our baseline year. This represents an increase from 2019/20 emissions of 10,814 tonnes or 4%. 2020/21 was an exceptional year, in which Iceland experienced a 15.9% increase in sales from 2019/20, alongside a quadrupling of online delivery.

Iceland's total emissions tCO<sub>2</sub>e



<sup>1</sup> Tonnes of CO<sub>2</sub> equivalent based on market-based approach

<sup>2</sup> The GHG Global Protocol defines Scope 1 as direct emissions from our own or controlled sources. Using the market-based method, Scope 2 relates to indirect emissions from the generation of purchased electricity.

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# How we're taking action to reduce our carbon footprint...

## Renewable energy

100% of electricity purchased for Iceland sites in the UK comes from renewable sources, supported by green energy certificates. In 2019, we stopped using our on-site generators they are now only being used as standby generation in case of any loss of the main electricity supply.

### Environmentally-friendly depots

Iceland has signed a Climate Change Agreement (CCA) administered by DEFRA for temperature controlled storage buildings. We have surpassed our energy reduction targets for our depots every year since 2015.

### Our logistics partner

We are working with XPO Logistics, a leading global provider of transportation and logistics solutions, to find innovative ways to make our fleet of HGVs more environmentally-friendly. We plan to trial electric vehicles for inner-city deliveries and have been investigating innovations in technology to enhance the thermal properties of our refrigerated trailers.



On average, stores refitted with new freezers consume

**30%**

less energy than stores using older equipment.



### More efficient equipment

We have an ongoing asset replacement programme, replacing our older freezers with new, more efficient versions. Not only do the new freezers use natural refrigerants wherever possible, they also provide energy saving benefits. On average, stores refitted with new freezers consume 30% less energy than stores using older equipment.

All our signage and store lighting has been upgraded to LEDs. To further save energy we have also installed automatic lighting throughout the estate, with the lighting being synchronised to the stores' trading times and the security alarms. This means only 50% of salesfloor lighting is used when the stores are closed to the public, and all lighting is turned off when the security alarms are activated.



## Safe, energy efficient driving

All Iceland Home Delivery Drivers are part of an innovative telematics programme. They undertake specific training to enhance their driving skills, focusing on techniques to improve safe driving and increase fuel efficiency. In addition, our route planning system is designed to calculate the most fuel-efficient routes, meaning our drivers do not waste time or fuel on unnecessary journey points.

## Refrigerant gases

We are working to further improve the accuracy of our data relating to refrigerant gases by providing our engineers with further training. Additionally, we continue to switch to more environmentally friendly gases.

## Electric and hybrid vehicles

In the last year, almost a quarter of our company cars have been switched to hybrid vehicles, which has reduced the average carbon output for the overall fleet by 10%. We continue to offer hybrid vehicles to colleagues eligible for company cars.

In the first half of 2022 we will be installing electric vehicle charging points at our Deeside head office and depot, providing staff and visitors with access to EV charging. We will also be trialing electric home delivery vans in early 2022.

## Maximising the efficiency

Our Heavy Goods Vehicle (HGV) fleet is regularly renewed with the aim of maximising fuel economy and minimising emissions. We are working closely with our suppliers and third-party logistics companies to make sure our deliveries to and from our depots are as efficient as possible. As much as we can, we route our HGVs to collect stock directly from the supplier, third party distribution centre, or pick up recyclable waste from our stores, on their return journeys to our depots. This helps to reduce the overall number of vehicles on the roads and avoids unnecessary journeys.



# Scope 3 – working with our suppliers

## Nomad Foods Life Cycle Analysis

Iceland is proud to have collaborated with Nomad Foods and Birds Eye teams to conduct life cycle analysis for 22 products, frozen, chilled and ambient versions, to assess and seek to understand the environmental impact of products from individual ingredients, through the supply chain to manufacturing, retail and consumption at home.

**Nomad Foods**  
Serving the world with better food



# Ten years to repair the planet

As well as reducing carbon in our operations, we are also calling on Government and other businesses to be a force for good in taking urgent action to address the climate and environmental crisis the world faces.

Our Managing Director Richard Walker is a World Economic Forum Young Global Leader, a Trustee of several environmental charities, and a member of BEIS Net Zero Taskforce.

He is calling for policy decisions that will ensure that the 'new normal' we create after the Covid-19 crisis is built on the foundations of a fully green recovery. We believe this means all businesses should make their operations net zero by 2050, and benefit from new corporate taxation that incentivises good environmental outcomes and penalises bad behaviour.



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The UN have declared a Code Red for Humanity and there is no longer any time to waste in taking ambitious action on climate change. I urge our Government to show strong leadership on its Net Zero Strategy and to use its position on the world stage to drive genuine and ambitious global action.

A handwritten signature in white ink, reading "Richard Walker", is positioned above the portrait of the Managing Director.

Managing Director  
Richard Walker



# Carbon Footprint 2020/21

Scope 1	Market-based emissions (tCO <sub>2</sub> e)	Location-based emissions (tCO <sub>2</sub> e)
Natural Gas	2,322	2,322
Fuel for transport	77,155	77,155

Scope 2	Market-based emissions (tCO <sub>2</sub> e)	Location-based emissions (tCO <sub>2</sub> e)
Electricity	0 <sup>1</sup>	112,777

<b>TOTAL</b>	<b>79,477 tCO<sub>2</sub>e</b>	<b>192,254 tCO<sub>2</sub>e</b>
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Refrigerant gas usage	15,400 tCO <sub>2</sub> e
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<sup>1</sup> We buy 100% of our electricity from renewable sources, using Green certificates to purchase electricity generated by wind and hydro assets matched to Renewable Energy Guarantees of Origin.

Scope 3 Category	Total Emissions (tCO <sub>2</sub> e)	% of Scope 3
1a: Purchased goods and services (product)	3,197,630	74%
1b: Purchased goods and services (non-product)	61,774	1%
2: Capital goods	20,501	0%
3: Fuel and energy related services	45,416	1%
4: Upstream transportation and distribution	400,196	9%
5: Waste generated in operations	1,478	0%
6: Business travel	47	0%
7: Employee commuting	14,147	0%
8: Upstream leased assets	-	-
9: Downstream transportation and distribution	371	0%
10: Processing of sold products	-	-
11a: Use of sold products (direct)	6,016	0%
11b: Use of sold products (indirect)	545,608	13%
12: End-of-life treatment of sold products	44,377	1%
13: Downstream leased assets	-	-
14: Franchises	150	0%
15: Investments	10,829	0%
<b>Total scope 3 emissions (tCO<sub>2</sub>e)</b>	<b>4,348,541</b>	
<b>Total scope 1, 2, and 3 emissions – market-based (tCO<sub>2</sub>e) including refrigerant gas</b>	<b>4,557,002</b>	
<b>Total scope 1, 2, and 3 emissions – location-based (tCO<sub>2</sub>e) including refrigerant gas</b>	<b>4,443,418</b>	

<sup>3</sup> We buy 100% of our electricity from renewable sources, using Green certificates to purchase electricity generated by wind and hydro assets matched to Renewable Energy Guarantees of Origin.



# Methodology

The data outlined within this report covers UK Iceland stores, the Food Warehouse stores, depots and operations, for the full financial year 2020/21 (28th March 2020 to 26th March 2021 inclusive). Emissions have been calculated for the total tonnes of CO2 emissions.

We measure and report on carbon emissions using the Greenhouse Gas Protocol.



## Scope 1 and 2

Includes all emission from scope 1 and 2, this data is checked and verified by Schneider Electric who use the UK Government Greenhouse Gas Conversion factors. Scope 1 includes all direct emissions from our own or controlled sources using the market-based method. Scope 2 relates to indirect emissions from the generation of purchased electricity.



## Refrigerant gases

Data is recorded in our maintenance system. Outlining the nature of the work, type of gas and volume of gas.



## Scope 3

Data was provided by Iceland to The Carbon Trust, which calculated the scope 3 emissions according to methods compliant with with the GHG scope 3 protocol.

**Iceland**  
*Doing it Right*

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[sustainability.iceland.co.uk](https://sustainability.iceland.co.uk)