

A close-up photograph of a person's hands holding a small, round, green moss ball. The person is wearing a white dress shirt and a dark tie. The background is blurred, showing green foliage. The text "Carbon: Our story so far" and "2021/22" is overlaid in white on the moss ball.

Carbon: Our story so far

2021/22

Doing it Right
Iceland

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Our targets

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.

Iceland is 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 towards achieving net zero by 2040.

The Climate Pledge to 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.

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



In 2011, we set our targets to reduce absolute carbon emissions in our own operations.

2020	2030	2042
30% absolute reduction	60% absolute reduction	100% absolute reduction

In 2020, we set our target to achieve net zero within our own operations and our supply chain.

2030	2035	2040
Net zero for UK electricity use 50% reduction in absolute GHG emissions	Net zero for UK fuel, gas and refrigerant use	Net zero for all products sold in the UK

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 onwards, we now include the use of refrigerant gases within our footprint, as we improve our reporting and transparency. 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.

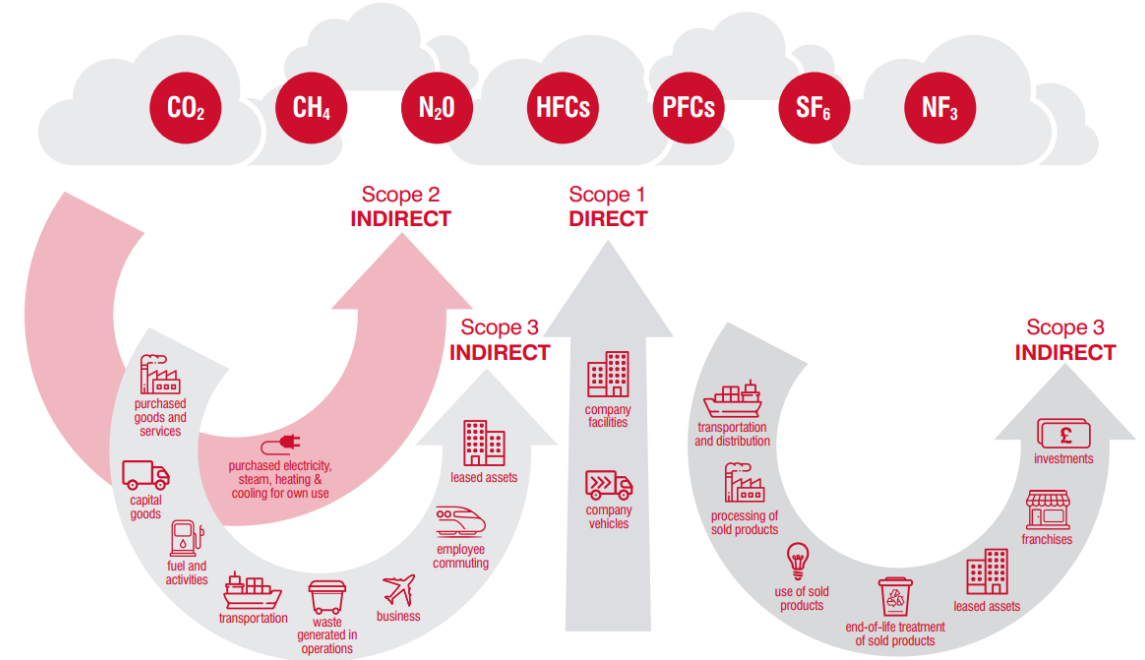


Scope 3

Iceland worked with the Carbon Trust to calculate our scope 3 emissions. This data will be updated periodically as opposed to annually.



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



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

Our progress

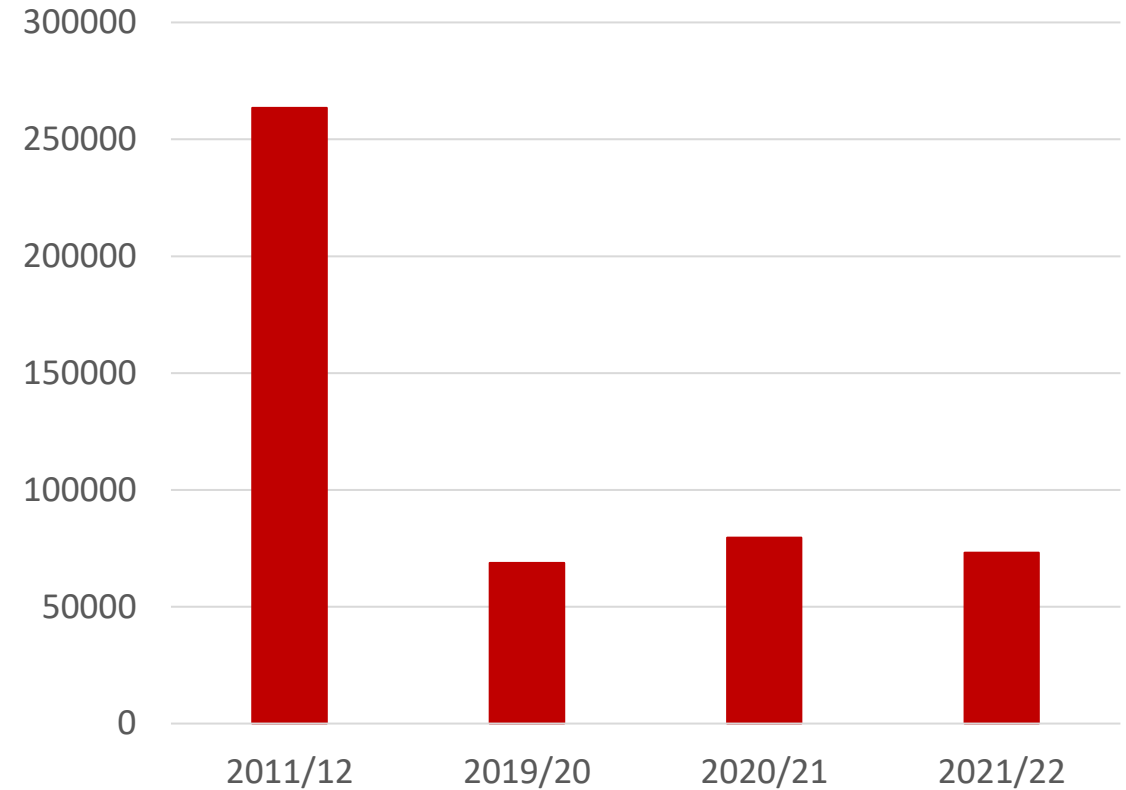
2021/22 we have reduced emissions in our own operations by

72%

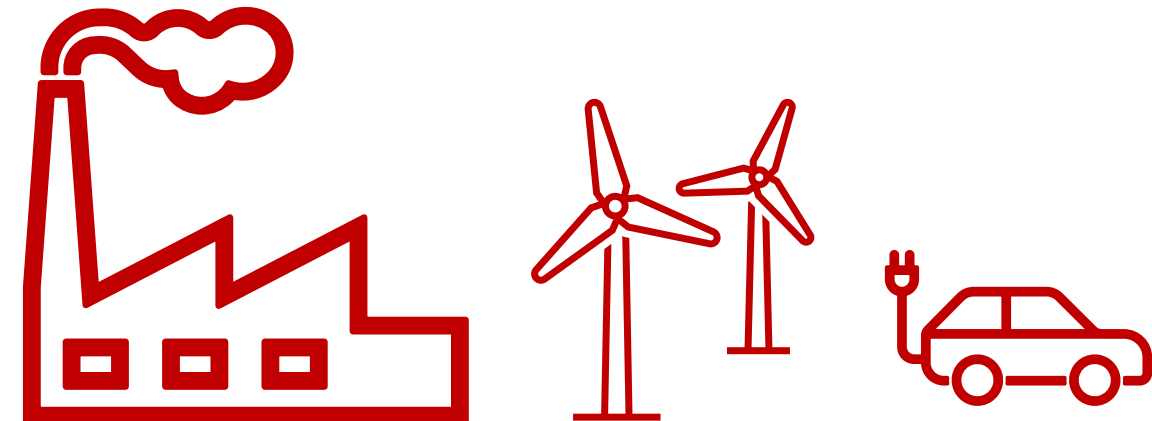
From our 2011 / 2012 baseline

In our baseline year of 2011/12, the business generated 263,461 tCO₂e 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 2021/22 we generated 73,124 tCO₂e, which is a 72% reduction on our baseline year.

Iceland's scope 1 & 2 emissions tCO₂e



After an increase in total emissions in 2020/21, driven by substantially increased sales and online demand during the Covid-19 pandemic, it is pleasing to report an 8% year-on-year reduction in 2021/22 as we have continued working to reduce our overall energy consumption and associated emissions.



How we're taking action

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

Refrigerant gases

In 2021 we reported our refrigerant gas usage for the first time. Between 2021 and 2022 we had a 6.8% reduction in use. Over the last year we have made further improvements to improve the accuracy of our data relating to refrigerant gases, whilst we also continue to switch to more environmentally friendly gases.

More efficient equipment

We have an ongoing asset upgrade programme, replacing our older freezers with new, more efficient versions. Not only do the new freezers use natural refrigerants wherever possible, they are also more energy efficient. 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. This means only 50% of sales floor lighting is used when the stores are closed to the public, and all lighting is turned off when the stores are unstaffed.



Food waste reduction carbon saving

In 2021/22 we generated 10,988 tonnes of food waste. 973.6 tonnes of food was redistributed to local communities. This food redistribution equates to a carbon reduction of 317 tCO₂e, assuming all redistributed food is eaten and replaces the need for equivalent food purchases and food production.

We continue to increase food redistribution to our colleagues, local communities and to animal feed. In 2022/23 we will be rolling out a national food redistribution scheme through OLIO.

	Tonnes of food surplus redistributed	Carbon reduction achieved through redistribution
FOLDOL¹	134.0	43.6 tCO ₂ e
Colleague giveaway	378.0	123.1 tCO ₂ e
Depot charity donations	419.3	136.6 tCO ₂ e
Store charity donations	34.8	11.3 tCO ₂ e
Total	973.6	317.1 tCO₂e

1. Free on last day of life



Deeside head office electric car charging station

In 2022 we installed 19 electric car chargers at Iceland head office, providing staff and visitors with EV charging facilities.

Company cars

76% of company cars have now been switched to hybrid vehicles, this has reduced the average carbon output for the overall fleet by 10%. We continue to offer hybrid vehicles to all colleagues eligible for company cars, and explore suitable electric vehicle options.

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 2022 we've trialled an upgrade to our Telematics system across 50 of our vehicles and will be rolling this out across our delivery fleet in 2023. Based on the results of the trial, the emission reduction of the full rollout is the equivalent of converting 200 of our current vehicles to Electric.



Electric delivery van

In 2022 we trialled our first fully electric home delivery van in Chester, based on a Mercedes eSprinter Panel van, the vehicle operates at both chill and freezer temperatures with a payload of around 300KG. We're continuing to review the capabilities of new Electric Vans as they come to market and are planning further trials with two additional manufacturers in 2023

Supply chain optimisation

Our supply chain team continue to undertake optimisation projects with our suppliers to maximise the volume of product we are able to get out of each delivery.

An optimisation project with a bakery supplier resulted in each pallet carrying 13-20% more cases of product, hereby reducing the number of pallets and vehicles required to transport this stock.



Maximising the efficiency of HGVs

Our Heavy Goods Vehicle (HGV) fleet is regularly renewed with the aim of maximising fuel economy and minimising emissions. Alongside this, on our lorries' return journeys from store deliveries, we work with our suppliers to route our HGVs to collect stock directly from the supplier, third party distribution centres, or collect recyclable waste from our stores. We also work with our EU suppliers to maximise efficiency by offering them the ability to deliver to one of our depots, with Iceland distributing stock throughout the network. This limits the number of partially filled lorries moving around the country.

GXO logistics

We are working with GXO Logistics, a leading global provider of transportation and logistics solutions, to find innovative ways to make our fleet of HGVs more environmentally-friendly.



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.



Working with our suppliers



Nomad Foods Life Cycle Assessment

Iceland is proud to have collaborated with Nomad Foods to conduct a life cycle analysis for 24 products in frozen, chilled and ambient versions. This project showed that for 21 of the products, the frozen versions were found to have an equal or lower environmental impact than fresh or ambient versions. For example, frozen spinach had a significantly lower environmental impact than fresh through efficient agricultural practices, packaging, storage and low food loss and waste results.



Helping our customers to save energy, money and carbon

Iceland and Utilita are working together to help UK households use less energy. As part of this partnership we are updating cooking instructions on Iceland own label products to include air frying instructions tailored to Tower Houseware products, which we will also be selling at a discounted price. Utilita has shown that air fryers are the most energy efficient kitchen appliance to use, especially when cooking frozen products, costing an average of just 12p per day to run – compared to 73p for an electric cooker. Each house could save £604 a year by using cost-effecting cooking methods.



WAYS TO COOK...

For best results cook from frozen. The following instructions are guidelines only. Ensure the product is thoroughly cooked and piping hot before serving.

OVEN **FAN 200°C/GAS 7**
FROM FROZEN **18-20 MINUTES**

Pre-heat oven Fan 200°C/Gas 7. Remove required amount from packaging. Place on a baking tray in a single layer near the middle of the oven for 18-20 minutes. Turn half way through cooking time.

DEEP FRY
FROM FROZEN **4-5 MINUTES**

Pre-heat oil to 175°C. Place required amount in the wire basket. Fry for 4-5 minutes, drain well before serving.

AIR FRY **1400W 4LTR**
FROM FROZEN **16-18 MINUTES**

Based on an eighth of a bag
 Set temperature to 200°C. Remove required amount from packaging. Place into air fryer basket. Cook for 16-18 minutes. Shake half way through cooking time.

INGREDIENTS

Potato (95%), Sunflower Oil (3.5%), Rice Flour, Potato Starch, Dextrin, Salt, Turmeric.

WARNING! SAFETY FIRST. TO AVOID SUFFOCATION, PLEASE KEEP THIS BAG AWAY FROM BABIES AND CHILDREN.

SUITABLE FOR VEGETARIANS

NUTRITION INFORMATION

(typical values)	CONTAINS APPROX. 10 SERVINGS Per 100g Ovenbaked	Per 1/10 Pack Ovenbaked
Energy	745 kJ / 177 kcal	909 kJ / 216 kcal
Fat	49g	59g
of which saturates	0.0g	0.0g
Carbohydrate	79.0g	95.5g
of which sugars	0.2g	0.2g
Fibre	0.3g	0.3g
Protein	2.6g	3.2g
Salt	0.4g	0.4g

e 1.5kg **Crispie Cut Chips:** Coated crinkle cut potato chips pre-fried in sunflower oil.

Carbon footprint 2021/22

Scope 1

	Market-based emissions (tCO2e)	Location-based emissions (tCO2e)
Natural gas	1,804	1,804
Fuel for transport	71,320	71,320

Scope 2

	Market-based emissions (tCO2e)	Location-based emissions (tCO2e)
Electricity	0 ¹	99,871
Total	73,124 tCO2e	172,995 tCO2e

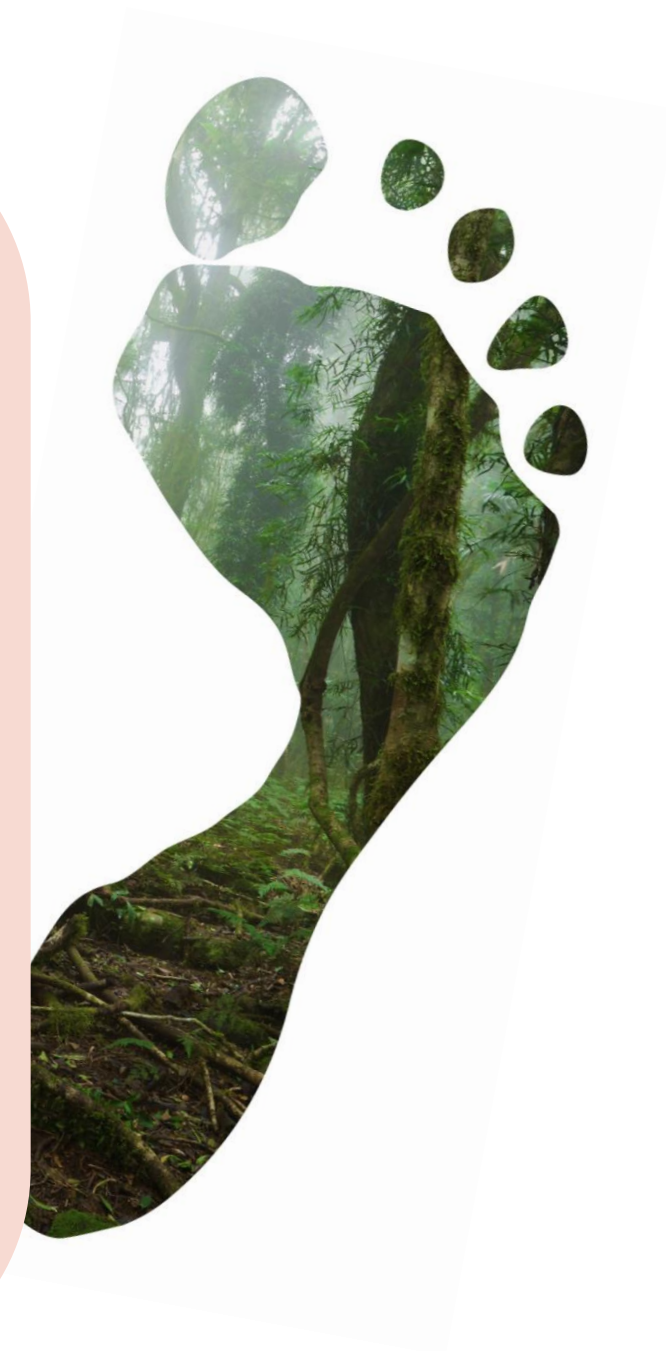
Refrigerant & air conditioning
gas usage

14,386 tCO2 e



1. 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.

2020/21 Scope 3 Category	Total Emissions (tCO ₂ 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%
Total scope 3 emissions (tCO₂e)	4,348,541	



Methodology

The data in this report is for the financial year 2022 (27 March 2021 to 25 March 2022) and covers Iceland UK operations. 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 & 2

Includes emissions from Iceland, The Food Warehouse & Swift stores

Scope 3

Includes emissions from Iceland, The Food Warehouse & depots

Use of data

Iceland is principally a high street retailer of frozen food.

The data we publish is not designed to be and should not be used for comparison with other retailers operating different business models. It would be inconsistent, inaccurate and would not be a fair comparison of any retailer to do so.



Iceland UK

Refers to all Iceland, The Food Warehouse, and depots in the UK



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



Scope 3

Calculated in 2020/21, data was provided by Iceland to The Carbon Trust, which calculated the scope 3 emissions according to methods compliant with the GHG scope 3 protocol



Refrigerant gases

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



Market-based emissions

Reflects emissions from electricity sources that have been chosen



Location-based emissions

Reflects the average emissions intensity of the electricity grid

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www.sustainability.Iceland.co.uk

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