

## **Annual Lender Report No.5**

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

In July 2014 Sainsbury's announced it had entered into 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, and it 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 further used to 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 2018/19 were as follows:

- Installation of aerofoil technology in 721 stores.
- Energy Efficiency and LED lighting in 3 new supermarkets and 8 new convenience stores.
- Combined Heat and Power plants in 3 new supermarkets.
- Refrigeration system gas replacement to natural refrigerant (Carbon Dioxide) in 24 stores;

The vast majority of the investment has been focused on aerofoil technology. The full year effect of this work saves over 17.5 million kWh, which is the equivalent to the annual electricity use of 9 mid-size supermarkets.

## Summary of Expenditure and Carbon Reduction 2018/19 (Year 5)

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>

	2018/2019						Investment (£)
	YTD			Full Year Effect			
	Savings (kWh)	CO2 (ton)		Savings (kWh)	CO2 (ton)		
	Scope 1	Scope 2		Scope 1	Scope 2		
Energy Efficiency Programme	7,204,753	-	2,039	17,597,825	-	4,981	£7,018,616
CO <sub>2</sub> Refrigeration Replacement	-	8,211	-	-	9,903	-	£14,056,685
Energy Efficiency in new stores, refits and extensions	1,557,655	-	441	4,821,670	-	1,365	£1,706,067
<b>Total</b>	<b>8,762,407</b>	<b>8,211</b>	<b>2,480</b>	<b>22,419,495</b>	<b>9,903</b>	<b>6,346</b>	<b>£22,781,368</b>

- (1) The Carbon Trust has verified that the data collection and methodology used by J Sainsbury plc to evaluate the Greenhouse Gas emissions 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 (Year 1 + Year 2 + Year 3 + Year 4 + Year 5)

### GREEN LOAN - SUMMARY

	Y1+Y2+Y3+Y4+5						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	69,714,470	-	29,936	152,430,951	-	65,044	£ 94,585,355
CO <sub>2</sub> e Refrigeration Replacement	-	122,208	-	-	182,809	-	£ 67,168,082
Energy Efficiency in new stores, refits and extensions	26,649,497	1,008	9,020	59,907,207	2,247	19,745	£ 12,715,101
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>128,351,287</b>	<b>123,931</b>	<b>50,292</b>	<b>279,180,867</b>	<b>187,563</b>	<b>107,616</b>	<b>£ 189,944,255</b>