

## **STRATEGIC REPORT FOR THE YEAR ENDED 31ST DECEMBER 2022**

### **SECTION 172(1) STATEMENT**

The legislation requires the Directors to explain how they considered the interests of key stakeholders and the broader matters set out in section 172(1) (A) to (F) of the Companies Act 2006 ('S 172') when performing their duty to promote the success of the Company. This includes considering the interests of other stakeholders which will have an impact on the long-term success of the company. This S 172 statement explains how the Directors of Maurice Lay Distributors Ltd complied with this legislation. The Directors also confirm that this statement applies equally to the Directors whether acting individually or collectively as a Board

The Directors confirm that they have acted in good faith when considering what would be most likely to promote the success of the Company for the benefit of its members. In doing so the Directors have considered ( in addition to many other matters ) those items set out in Section 172(1) a to f of the Companies Act 2006, specifically

The likely long-term consequences of any decision

The interests of the employees of the company

The need to foster the Company's business relationships with suppliers customers and others

The impact of the Company's operations on the community and the environment

The desirability of the Company maintaining a reputation for high standards of business conduct

The need to act fairly between the members of the Company

In carrying out their duties in this regard careful consideration is given to all the matters set out above. The primary stakeholders we considered are employees, suppliers and customers, the local community in which we operate, the wider world and the environment.

### **Employees Suppliers Customers and Other relationships**

Our employees and the business relationships that they create with our suppliers and customers are and always have been critical to our success. We are proud to be a financially strong and trusted employer with a very large ratio of long serving employees. We fund a wide range of benefits and social activities for our staff. We use our extensive showrooms to ensure that our employees and customers are fully trained on our wide range of products. We are committed to paying our suppliers within the agreed payment terms. We also have long standing business relationships with our bankers, insurance brokers and solicitors

### **Local community**

We engage with local schools to provide opportunities for placements. We encourage lift sharing to lessen our impact on the local roads. We are also involved in sponsorships of a number of local sports clubs

### **Environment and the Wider world**

We have a vast range of market leading products. Our Product Management team are fully focused on ensuring that all our suppliers are wholly committed to manufacturing products that make the best use of resources. Over the last year this has included good progress in reducing plastics and packaging, producing taps with lower flow rates and appliances that use less electricity. We have also introduced routing optimisation software which continues to reduce the miles per drop ratio of our delivery fleet.

## STRATEGIC REPORT FOR THE YEAR ENDED 31ST DECEMBER 2022

### STREAMLINED ENERGY AND CARBON REPORTING

#### Introduction

Maurice Lay Distributors Limited is classified as a large unquoted company under the definitions set in Section 465 and 466, Chapter I 5 of Companies Act 2006, it needs to comply with the new government legislation implemented by The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. ("the 2018 Regulations") on Streamlined Energy and Carbon Reporting (SECR)

To fulfil this, we have measured our UK energy and greenhouse gas emissions as classified within Scope 1, Scope 2 and on the mandatory element of Scope 3 (business journeys covered by grey fleet) of the Streamlined Energy and Carbon Reporting (SECR) regulations, which are presented in tables 1, 2 and 3.

#### Organisational and operational boundaries of the company

Maurice Lay's structural and operational boundaries are the same. The company is operating from 3 Premises and a Head Office site within the UK. The company is directly responsible for purchasing energy for all sites.

#### Environmental Performance

Maurice Lay decided to follow and adopt, for SECR reporting, a widely recognised Greenhouse Gas Reporting Protocol - Corporate Standard methodology. As of 31 December 2022, the company's energy usage and associated carbon emissions for the SECR Year 1 reporting period (1 January 2022 - 31 December 2022) were as follows:

Table 1: Total energy consumption and associated greenhouse gas emissions from Scope 1, Scope 2 and Scope 3 emissions for SECR Year 1 reporting period, including the 2022 Baseline Year (SECR Year 1) energy consumption data.

		SECR YEAR 1 REPORTING PERIOD (2022)			
Energy Type		Energy Use (kWh)	% Split (kWh)	Emissions (tCO2e/yr.)	% Split (tCO2e)
Combustion of Natural Gas	(Scope 1)	220,509	12.62%	40.2	6.72%
Combustion of Diesel	(Scope 1)	1,181,682	67.63%	303.0	50.72%
Combustion of Petrol	(Scope 1)	9,401	0.54%	2.3	0.38%
Combustion of LPG	(Scope 1)	106,588	6.10%	24.5	4.11%
Purchase of Electricity	(Scope 2)	226,914	12.99%	226.9	37.98%
Business Travel	(Scope 3)	2,148	0.12%	0.5	0.09%
<b>Total</b>	<b>Scope 1, 2 &amp; 3</b>	<b>1,747,242</b>	<b>100.0%</b>	<b>597.4</b>	<b>100.00%</b>

#### Intensity ratio

Intensity ratios compare emissions data with an appropriate business metric or financial indicator. This allows a comparison of energy efficiency performance over time and with other similar types of organisations. Maurice Lay has chosen to compare overall energy consumption and associated emissions against the annual turnover for the SECR Year 1 reporting period.

Table 2: Intensity Ratio - Energy consumption and associated greenhouse gas emissions per annual turnover

INTENSITY RATIO NO.1 - TONNES OF CO2E PER £100,000 OF TURNOVER					
SECR Reporting Year 2022	Total Energy Consumption (kWh)	Total greenhouse gases emissions (tCO2e)	Annual turnover (£)	Intensity Ratio (kWh / £100,000)	Intensity Ratio (tCO2e / £100,000)
	1,747,242	597.4	42,945,008	0.040686	0.00014

Energy intensity ratios are calculated and presented as advised by the Department of Business Energy and Industry Strategy (BEIS) recommendations.

#### Energy Efficiency Actions

SECR is designed to reduce complexity and streamline the carbon and energy reporting landscape.

Maurice Lay is actively looking to reduce their energy consumption and associated greenhouse gas emissions. The company is proactively looking after the environment by striving to become more energy conscious across the group by reducing carbon emissions and being committed to their energy efficiency actions.

## STRATEGIC REPORT FOR THE YEAR ENDED 31ST DECEMBER 2022

The company's ability to implement energy efficiency measures during 2022 was limited and our primary focus was given on the following areas:

- » Improving lighting efficiency by the installation of LED sensor lighting in the NOVA centre warehouse.
- » Consolidation of deliveries to minimise journeys.

However, Maurice Lay intends to assess its abilities to carry out such actions in the upcoming 2023 fiscal year, recognising the significance of climate change and energy efficiency for the company. In addition, Maurice Lay acknowledges the importance of reducing greenhouse gas (GHG) emissions in achieving sustainability goals and thus plans to evaluate its capacity to implement strategies for their reduction in the upcoming fiscal year.

### Methodology

Maurice Lay Distributors Limited as a large unquoted company needs to comply with the new government legislation implemented by The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 ("the 2018 Regulations") on Streamlined Energy and Carbon Reporting (SECR).

Maurice Lay decided to follow and adopt, for SECR reporting, a widely recognised GHG Reporting Protocol -Corporate Standard methodology.

Total annual energy consumption within Scope 1, 2 and Scope 3 was calculated based on recorded consumption data for the period (January 2022 to December 2022). Therefore, this period complies with the legislation and is deemed as the SECR Year 1 reporting period.

The recorded consumption data was provided via a mixture of Energy Provider analytical reports and Energy Provider invoices.

The energy consumption has been collected and aggregated for all Maurice Lay premises and has been based on verifiable sources.

Unit B Nova, Avonmouth, and Caple Studio, Leeds, premises became part of Maurice Lay in July 2022 and therefore the energy data for these two sites cover July to December 2022 only.

During the undertaking of the carbon footprint exercise, UK Government approved and published by Department for Business, Energy and Industrial Strategy (BEIS) "Conversion Factors - Energy and Carbon Conversion" publication, conversion factors for company reporting, has been used.

**Table 3: Energy and Carbon Conversion Factors**

Activity	Fuel	Unit	Year	kg CO2e
Electricity generated	Electricity: UK	kWh	2022	0.19338
Gaseous Fuels	Natural gas	kWh	2022	0.18219
Diesel	Diesel (average biofuel blend)	kWh	2022	0.25631
Petrol	Petrol (average biofuel blend)	kWh	2022	0.23961
LPG	Liquid Petroleum Gas	kWh	2022	0.21449
Grey Fleet	(Average car)	kWh	2022	0.27465

Transport analysis covers Scope 1 GHG emissions (company cars) and Scope 3 (grey fleet) GHG emissions. Scope company cars emissions have been calculated based on Fuel Card data.

Grey Fleet Scope 3 emissions have been based on mileage claims assuming each vehicle was an average car/unknown fuel type.