

Operating review Environment

We have made good progress towards our aim of fully integrating environmental considerations into all areas of our business. Our focus remains on materials use, waste management and energy and fuel consumption. Other issues are addressed as their impact is identified.

- We recycled 153 tonnes more distribution level waste paper than in 2000/01
- 51 tonnes of redundant customer mobile phones were collected and processed for reuse or recycling, up 400% on last year
- We sold 33 per cent more 'A' rated energy efficient appliances than in the previous year
- We reduced our fleet car carbon dioxide emission levels to an average of 161gms/litre, (beating the Government's target of 165gms/litre)
- New stores fitted with modified air conditioning fans reduced their energy use by up to 9 per cent
- We achieved a 20 per cent reduction in refrigerants used by air conditioning systems at our out-of-town stores.

Further details of our objectives and targets and how these are managed are set out at www.dixons-group-plc.co.uk

Benchmarking performance

The Group has participated in the Business in the Environment (BiE) Index of Corporate Environmental Engagement since it began six years ago. This is a respected benchmark of FTSE 100 companies' environmental management and performance.

In this year's more detailed survey the company maintained its position in the upper half of its economic group.

BiE commented as follows:

"Environmental management scores were strong and consistent with last year. High scores were achieved in the leadership, policy, objective, target setting, environmental stewardship and employee communications areas. Progress could be made by expanding the company's internal environmental audit process."

"Performance measurement results are consistent with last year with some improvements made in the setting of performance targets. It is pleasing that,



Table 1
Business in the Environment Index of Corporate and Environmental Engagement.

General retail sector:

Dixons' results	2001
Overall ranking*	107
Average score	66%
Economic group ranking**	22 of 52
Sector ranking	5 of 7
FTSE 100 ranking*	55

* The total number of participating companies was 206 including 83 FTSE 100 companies.

** The economic group containing general retail includes leisure, entertainment, hotel, media, transport and support related businesses and services.

Table 2
Package recycling per year in tonnes.

	Card	Paper	Plastic film	Polystyrene	Total tonnage	% change
1999/00	1,348	—	—	253	1,601	
2000/01	1,689	142	15	248	2,094	+31%
2001/02	1,675	295	60	256	2,286	+9.2%

Collection and recycling of paper and plastic film were not measured until 2000.



1. Sales of 'A' rated energy efficient appliances were up 33 per cent. 2. 2,286 tonnes of packaging including cardboard, were recycled in 2001/02. 3. In-store literature advised customers about the issues caused by new legislation on fridge recycling.

with the exception of energy, some performance improvement can be shown in all impact areas. The choice of biodiversity as a selected impact area is commendable and indicates the Group's commitment to continual improvement."

Two illustrations of our programmes are set out below.

Packaging recycling

Recycling of distribution product packaging, including cardboard, paper and expanded polystyrene has increased by 9.2 per cent to 2,286 tonnes over the last financial year. This reflects continuing efforts across the distribution chain to recover and segregate packaging to prevent it from being consigned to landfill. Recovered materials are reused for packaging. Investment in new equipment to bale plastic film has increased the average monthly amount of film collected from 3.5 tonnes in 2001 (calendar year) to five tonnes per month in 2002. This will help the Group to achieve its target to increase distribution packaging recycling levels by a further 10 per cent by the end of April 2003. (See table 2.)

Energy saving

As the Government has highlighted, increasing the use of energy efficient appliances is key to reducing carbon dioxide emissions.

Currys has developed schemes to promote the replacement of older appliances with new efficient models under the Energy Efficiency Commitments Programme (EEC). An 'A' rated energy efficient fridge can save £46 from the annual household electricity bill compared with the average 10-year-old 'G' rated model.

Currys ran three exclusive schemes to promote energy efficient products with TXU Energi and Powergen during the year. These offered customers savings of up to £150 off the retail price of 'A' rated appliances. In total Currys sold more than 70,000 'A' rated appliances in 2001/02, supported by national advertising and in-store literature.



4. Company vehicles are tested regularly to minimise their impact on the environment.



5. Customers are encouraged to recycle their used inkjet cartridges in-store.