

TCFD statement

We support the recommendations of the TCFD and are committed to providing information about climate-related risks and opportunities that are relevant to our business and to evolving our strategy and governance framework to take account of such risks and opportunities.

Overview

Our business activities cover the sourcing and sale of a wide range of books, toys, arts and crafts and stationery products. The environmental impact of these activities is explained on page 30 and relate in the main to product packaging, waste recycling and energy consumption. While risks associated with these issues do not pose a significant threat to our business, we recognise the obligation we have to reduce our impact on the environment. We are also aware of growing consumer demand for sustainable products and the commercial risks and opportunities this is creating. In addition, currently, a substantial part of the Group's profit is generated during the short Christmas peak sales period. Extreme weather events during this time could disrupt our flow of stock, deliveries to store and fulfilment of online orders. In response to these risks and opportunities we are evolving our sustainability strategy and embedding appropriate risk management processes across our operations.

TCFD compliance statement

Our TCFD compliance statement is set out below. In line with the requirements of LR 9.8.6(8)R, we are reporting on a 'comply or explain' basis against the 11 recommended TCFD disclosures. The table below sets out our compliance status in relation to each of the recommendations and, where relevant, the actions we are taking to achieve compliance.

As at 1 May 2022, our disclosures were not consistent with nine of the 11 recommended disclosures. In the main this is because our ESG steering group, which was established last year, has been focused on developing an appropriate sustainability strategy. To help in this process, we have appointed a specialist ESG consultancy to advise and work with us. A detailed programme of work has been agreed, including work streams to:

- improve our reporting;
- integrate the assessment and management of climate-related matters into everyday business processes; and
- set science-based emission reduction targets to enable us to monitor and measure progress.

A key focus for the ESG steering group in the coming year will be to effectively monitor and review the implementation of this programme to ensure that our reporting will be compliant with all 11 TCFD recommendations.

Theme	TCFD disclosure recommendation and compliance status as at 1 May 2022	Activities to date and actions to achieve compliance
Governance	Describe the Board's oversight of climate related risks and opportunities. Compliant	<p>The Board has overall accountability for ESG, including climate-related matters, and has delegated a number of activities to our ESG steering group (see page 28). The Board reviews the Group's most significant risks at least twice a year. In January 2022, the Audit Committee and the Board considered the updated consolidated risk register (see below), which recognised climate change risk for the first time. This updated register takes account of our new strategy, internal discussions and the current and emerging external environment. The Audit Committee and the Board deliberated and discussed the updated register, including allocating ratings for each risk on the primary register, and reviewed and updated the Group's principal risks and mitigation actions (see page 39). As part of these discussions and review the Board considered the threat of climate change and initiated discussions on addressing its impact.</p> <p>Planned actions</p> <p>The Board will receive quarterly updates from the ESG steering group, including progress reports in relation to the programme of work to achieve compliance with the TCFD recommendations.</p>

TCFD statement continued

TCFD compliance statement continued

Theme	TCFD disclosure recommendation and compliance status as at 1 May 2022	Activities to date and actions to achieve compliance
Governance continued	<p>Describe management's role in assessing and managing climate related risks and opportunities.</p> <p>Non-compliant</p>	<p>In June 2021, we launched our ESG steering group which is chaired by our CEO and includes two members of our Operations Board. Since May 2022, climate-related matters are a standing agenda item at the Group's quarterly meetings.</p> <p>During October and November 2021, our Head of Finance undertook a detailed operational risk review. The review included individual meetings with each Operations Board member covering current and emerging risks affecting their respective areas of responsibility and broader corporate risks in other parts of the business. During the course of this review process environmental (including climate change) risk was highlighted and, following the conclusion of the review, was included in the updated risk register.</p> <p>To support management in its assessment of climate-related risks we have engaged a specialist ESG consultancy.</p> <p>Planned actions</p> <p>We will integrate climate governance into our risk management framework and assign specific responsibilities to senior managers to ensure that climate-related risks and opportunities are properly assessed and effectively managed. We will also recruit a Sustainability Manager to champion our ESG strategy and coordinate its implementation, including the implementation of new processes to ensure our compliance with the TCFD recommendations.</p>
Strategy	<p>Describe the climate-related risks and opportunities identified over the short, medium and long term.</p> <p>Non-compliant</p>	<p>The review process undertaken to update our risk register identified a number of climate-related risks and opportunities. These include risks that could impact our supply chain and potential risks and opportunities in relation to growing consumer demand for more sustainable products.</p> <p>Planned actions</p> <p>During H1 FY23, in conjunction with the specialist ESG consultancy, we undertook a climate scenario analysis of the transition and physical risks and opportunities that could impact our business. The findings were presented to and discussed with Operations Board members during a climate-related risk workshop. The workshop assessed how climate change may impact the business and how the risk may vary over a short, medium and long-term period. A key focus of this assessment was to agree on risk and opportunity classifications for the identified climate-related issues, based on our existing risk classification process. Later in FY23, actions to mitigate climate-related risks will be agreed and climate-related opportunities identified. Thereafter this process will be undertaken on an annual basis.</p>
	<p>Describe the impact of climate-related risks and opportunities on businesses, strategy and financial planning.</p> <p>Non-compliant</p>	<p>Planned actions</p> <p>Following the workshop highlighted above which assisted in the identification of climate-related risks and opportunities we will assess and model their potential impact on all aspects of our business including our financial performance. This assessment and modelling and the review of their outcomes will be undertaken by senior management and relevant Operational Board members. We also intend to develop a net-zero strategy to inform emission reduction efforts as a part of our business strategy.</p>
	<p>Describe the resilience of strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.</p> <p>Non-compliant</p>	<p>We are committed to developing a strategy that considers climate-related issues. We will seek to identify the areas where we can reduce our impact on the climate, and site surveys and energy efficiency improvements are already underway across the business.</p> <p>Planned actions</p> <p>As highlighted above, in conjunction with the specialist ESG consultancy, we will undertake a climate scenario analysis. Three scenarios will be considered, a below 2°C, a 2-3°C and an above 3°C scenario. The scenarios range from a warming pathway where a smooth transition to a low carbon economy occurs to a warming pathway where little climate action is taken. This range of scenarios allows us to review our corporate strategy across a range of potential futures and build resilience accordingly.</p>

Theme	TCFD disclosure recommendation and compliance status as at 1 May 2022	Activities to date and actions to achieve compliance
Risk management	Describe the processes for identifying and assessing climate-related risks. Non-compliant	We have a process for identifying and assessing the risks that could impact our business and implementing effective risk mitigation actions. See page 39. Planned actions As highlighted above we will integrate climate governance into our risk management framework and assign specific responsibilities to senior managers to ensure that climate-related risks and opportunities are properly assessed and effectively managed.
	Describe the processes for managing climate-related risks. Non-compliant	Planned actions As explained on page 32 climate-related risk was included in our updated risk register for the first time this year. We maintain a more detailed secondary register to support the day-to-day management of risks. In the coming year this secondary register will be expanded to ensure effective management of our climate-related risks.
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into overall risk management. Non-compliant	Planned actions As highlighted above we will integrate climate governance into our risk management framework and assign specific responsibilities to senior managers to ensure that climate-related risks and opportunities are properly assessed and effectively managed. To test strategic resilience and to ensure that our risk framework continues to be effective, on an annual basis, we will undertake a climate scenario analysis. The Board and Audit Committee will continue to review the business' principal risks, including climate change risk, twice per year.
Metrics & targets	Describe the metrics used to assess climate-related risks and opportunities in line with the strategy and risk management process. Non-compliant	Planned actions Emissions reduction will be our prime metric. We will develop appropriate measures to assess and monitor our progress in line with our strategy and risk management processes.
	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions, and related risks. Partially compliant	We have disclosed our Scope 1 and 2 emissions since 2019. During FY22 we introduced a number of energy efficiency improvements (see page 30) to reduce our emissions footprint. Understanding and monitoring our Scope 1 and 2 emissions means we are better equipped to set realistic reduction targets and make a significant difference in our communities. Planned actions In FY23 we will expand our emissions disclosure to include our Scope 3 emissions and highlight material emissions categories. Calculations will be consistent with the Greenhouse Gas Protocol (GHG Protocol) Corporate Value Chain standards.
	Describe the targets used to manage climate-related risks and opportunities and performance against targets. Non-compliant	Planned actions In FY23 we will calculate our emissions footprint, and, from this baseline, will formulate emissions reduction targets and pathways. In future years we will report annual progress against these targets to track progress.