

Our environment

Reducing waste, responsible operations, lowering emissions

2021 highlights

- **Maintaining zero to landfill in 2021 in our manufacturing and logistics operations.** We were very pleased to achieve this in 2020 through our approach of removing or minimising the use of resources in the first instance, and then maximising the amounts of waste that we can reuse, recycle and recover. We have maintained this performance in 2021 and this is our target for the future.
- **Less than 1% to landfill in our UK depots in 2021.** This metric is part of one of our main ESG commitments, and we've made significant progress in 2021. See page 50 for more details.
- **ISO 14001.** Our manufacturing, warehousing and transport are certified to ISO 14001 Environmental Management System. This assures us that we have sustainable processes in place and encourages us to look for improvements.
- **Sawdust-to-heat.** In 2021 we converted 14,000 tonnes of sawdust into energy in biomass boilers at our Runcorn and Howden factories. This is enough sawdust to fill 17 Olympic swimming pools, and it would otherwise have to have been transported elsewhere to be reused. Using it to heat our factories also saves us money. We generated over 40,000 MWh of energy from our biomass boilers, equivalent to the average electricity consumption of over 11,000 households.

KPI

100% of production and warehouse waste reused, recovered or recycled



Results of our 2020 ESG Strategic Review - Future commitments, targets and ongoing work

COMMITMENT: Zero to landfill across our UK depot network over time, with a target of less than 5% to landfill by the end of 2022.
2021 update: Exceeded 2021 interim target. See page 50.

COMMITMENT: Carbon neutral manufacturing by the end of 2021.
2021 update: Achieved. See page 50.

SECR Reporting

Energy efficiency initiatives

We have held the Carbon Trust Standard for Carbon since 2012, with a commitment to reduce TCO₂e/£m turnover by 2.5% p.a. Examples of our main measures to achieve this were replacing inefficient assets with energy-efficient equipment (such as LED lighting, efficient extraction system drive motors, compressed air system optimisation with leak detection), and logistics fleet efficiencies through driver training and trailer fill optimisation. Our new warehouse campus of 1.6m ft² at Raunds is built to a BREEAM Very Good status, and we started decarbonisation of our car fleet with 150 hybrid & electric vehicles introduced in 2021.

Use of renewable energy sources and carbon offsets

Since January 2021, our UK manufacturing sites bought all grid electricity from renewable sources backed by Renewable Energy Guarantees of Origin. This avoided equivalent carbon emissions of 4,125 tCO₂e. This is reflected in our market-based emissions which we are reporting for the first time in 2021. Our factories at Howden and Runcorn are heated by biomass boilers with fuel certified as sustainable and recognised under the Renewable Heat Incentive scheme by OFGEM. In 2021, these boilers generated 41,882MWh of heat. In 2021, we also purchased 12,648 tCO₂e of Gold Standard carbon offsets in support of our achievement of carbon neutrality at our Howden and Runcorn manufacturing sites. Details of the offsets, together with a link to the independent certification registry are on page 50.

SECR - Emissions reporting

Turnover increased by 35%, gross emissions increased by 12%, gross carbon intensity (turnover-based) ratio improved by 17%

Emissions reporting methodology

We have used HM Government Environmental Reporting Guidelines including Streamlined Energy and Carbon Reporting guidance. Scope 1 and 2 carbon emissions are calculated in accordance with the WRI GHG Protocol, A Corporate Accounting and Reporting Standard (Revised edition), using the UK published DEFRA 2021 emissions factors. Market-based emissions are reported in accordance with the GHG Protocol Scope 2 Guidance - An amendment to the GHG protocol.

Our calculations are subject to internal quality checks at the initial data analysis and final report collation stages. They are not yet externally validated. The boundary of our reporting is all Scope 1 and 2 emissions within Howden Joinery Group Plc operational control, including all subsidiaries and international operations in France and Belgium. There are no process emissions within Howdens as defined in the GHG Protocol. Biomass emissions are pro-rated across 365 days due to the metering systems output alignment outside of the reporting period in this report.

| | 2021 | 2020 |
|---|----------------|----------------|
| Scope 1 - Direct: Gas | 15,707 | 13,032 |
| Scope 1 - Direct: Diesel | 27,626 | 24,744 |
| Scope 1 - Direct: Other fuels | 1,684 | 629 |
| Scope 1 - Direct: Biomass | 642 | 651 |
| Scope 1 - Direct: Total | 45,659 | 39,057 |
| Scope 2 - Indirect: Electricity (location based) | 11,585 | 11,967 |
| Scope 2 - Indirect: Electricity (market based) | 7,460 | |
| TOTAL Scope 1 and 2 Gross emissions (location based) | 57,243 | 51,024 |
| TOTAL Scope 1 and 2 Gross emissions (market based) | 53,118 | |
| Carbon offsets tCO ₂ e | (12,648) | (9,168) |
| TOTAL Scope 1 and 2 Net emissions (market based) | 44,595 | 41,856 |
| Turnover (£m) | 2,093.7 | 1,547.5 |
| Carbon Intensity ratio (tCO₂e per £m turnover) Gross (location based) | 27.3 | 33.0 |
| Inflation adjusted intensity ratio (tCO₂e per £m turnover) Gross (location based) | 29.9 | 34.4 |
| Additional carbon intensity ratio (tCO ₂ e per £m turnover) Net (market based) | 19.3 | |
| Additional Inflation adjusted intensity ratio (tCO ₂ e per £m turnover) Net (market based) | 21.1 | |
| Energy consumption used to calculate above emissions (kWh) | 308,287,234 | 274,272,777 |
| Proportion of CO ₂ emissions generated in the UK: | 99.0% | 99.1% |
| Proportion of total energy consumed (kWh) in the UK: | 98.6% | 98.8% |

Our record over the past five years is shown on the chart below:

