

Sustainability continued

Environment



Material issue 1: Waste and packaging

In this area, our target is to divert 100% of our waste from landfills. To support this goal, we continue to prioritise the reduction, reuse and recycling of materials across our operations.

In addition to working with our suppliers to minimise unnecessary packaging, we are also reviewing and improving our own practices.

Example during the year:

In our Plumbing and Heating division, we **replaced plastic tape with paper tape** incorporating the company logo, removing the need for separate plastic branding stickers and traditional plastic tape. This has reduced overall plastic use and generated labour efficiencies.

Our Merchandising division signed a contract to **consolidate waste collection under a single provider**. This initiative will enable improved oversight and management of waste streams and contractually guarantees 100% diversion from landfill. To support this transition, targeted training sessions will be delivered to colleagues, reinforcing correct waste handling practices and promoting waste minimisation.

As a result of our efforts, a further 16.3% reduction in Scope 3 emissions from waste was achieved in FY25.



Material issue 2: Energy usage

Energy use is a key contributor to our Scope 1 and Scope 2 emissions. We continue to prioritise opportunities to improve energy efficiency, minimise waste, and expand the use of renewable sources, including investment in on-site generation. These measures reinforce our ongoing commitment to achieving net zero and support more efficient, resilient operations (see page 28). This section includes the Streamlined Energy and Carbon Reporting (SECR) disclosures on page 27, detailing our energy usage and efficiency initiatives.

Reporting methodology

We calculate and report our greenhouse gas (GHG) emissions in line with HM Government's Environmental Reporting Guidelines and the GHG Protocol. Emissions are reported using the financial control boundary, ensuring that all entities over which the Group has operational and financial control are included. Our methodology aligns with the Department for Environment, Food and Rural Affairs' (Defra) Environmental Reporting Guidelines and applies to the Government's annual GHG reporting conversion factors to quantify emissions and energy consumption.

Under the GHG Protocol:

- › Scope 1 covers direct emissions from building operations and company-controlled sources, including gas boilers, plant equipment and company vehicles
- › Scope 2 covers indirect emissions associated with the consumption of purchased electricity
- › Scope 3 covers other indirect emissions not included in Scope 2

Data coverage and estimates

Our analysis covers all companies within the Group, including CMO which was acquired in June 2025 and Ultimate Renewables acquired in October 2024. For vehicle-related emissions, we use fuel consumption data to calculate baseline energy use and associated CO₂e emissions. Electricity and gas consumption are based on metered kWh usage.

Within Scope 1, emissions from air conditioning and refrigeration units are excluded as data is not currently available. There are no process emissions within the business' operations.



16.3%

decrease on waste
emissions (Scope 3)