

CIE London

Net Zero Report 2023



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Executive summary

2023 footprint:
1,325 tCO₂e*

Our highest emitting categories in 2023 were:

- Fitout Materials
- Transportation & Distribution
- Business Travel

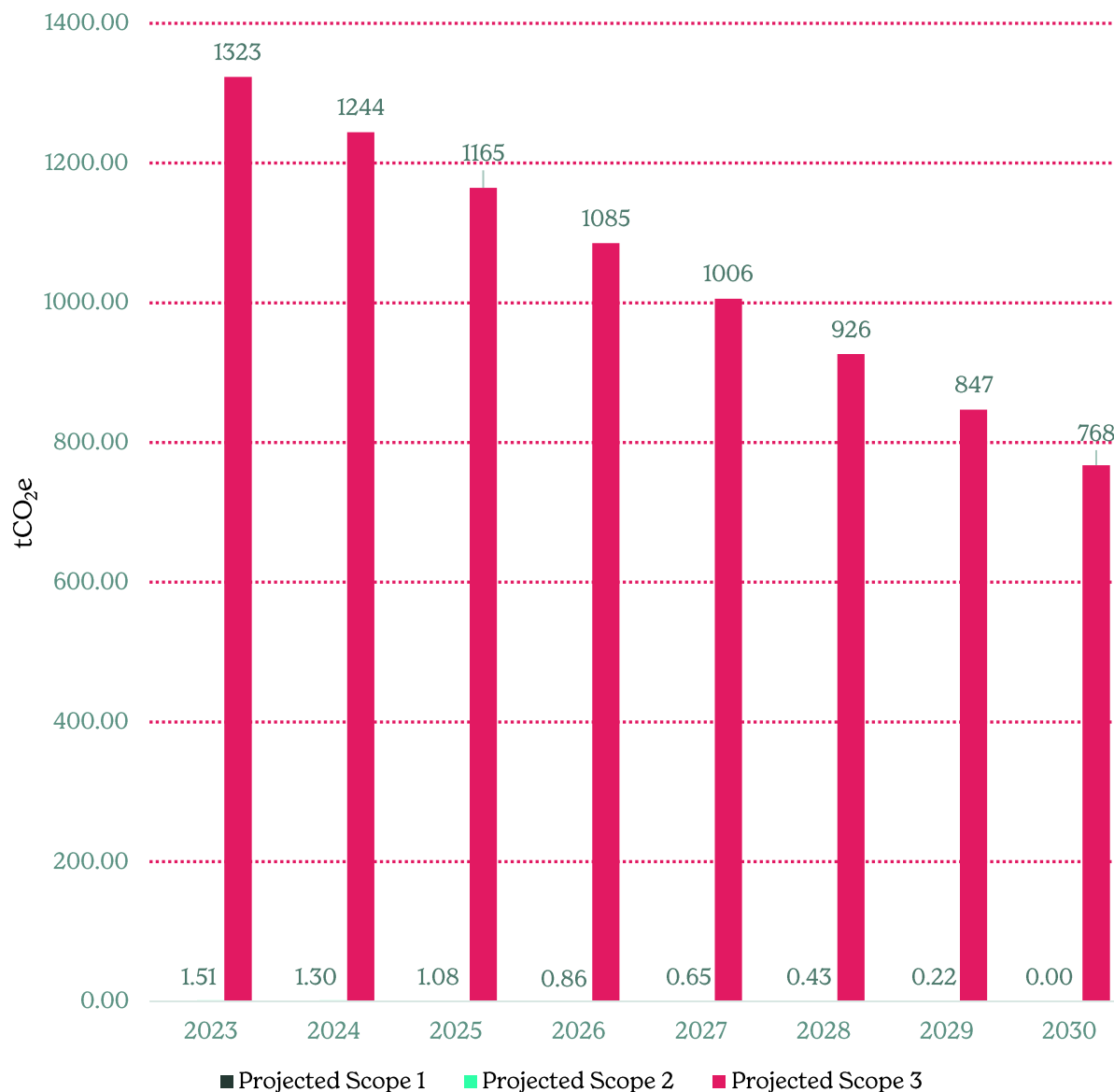
We intend to:

- Maintain scope 1 emissions at zero
- Reduce scope 2 emissions to zero by 2030
- Reduce scope 3 emissions 42% by 2030**
- Reach Net Zero by 2050**

*Excluding downstream emissions

**Against a 2023 baseline

The graph below shows annual reductions necessary to achieve our short-term targets, reflecting an annual reduction of 21.5% and 6% in scope 2 and scope 3 emissions respectively.



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Our why

Measured by Positive Planet

Why we're taking action

At CIE, our mission is to maintain and further enhance our reputation as the first and only choice for all designers, architects and developers seeking a reputable kitchen provider. We offer a full turnkey premium service for any project, and to do this in a responsible and sustainable way.

We acknowledge and take seriously our responsibility not only to our clients and our people, but also to our planet. It has never been more important to take strong action on climate change and use our influence to encourage and inspire others.

Alongside this we aim to understand the risks, opportunities and emissions within our value chain and engage with suppliers and partners to manage these. We promise to continue providing our clients with the highest quality, premium products and services, whilst also enabling them to make well-informed, sustainable decisions regarding their kitchens.

Mark Gledhill
Managing Director

M. Gledhill

There is now overwhelming scientific evidence of climate change.

Greenhouse gas emissions have climbed to their highest levels in human history. We are not doing enough to respond to this crisis and limit warming to 1.5°C (the Paris Agreement's threshold to avoid the most catastrophic impacts for people and nature).

The latest climate report from the UN's Intergovernmental Panel on Climate Change (IPCC) offers a message of hope, a warning, and a challenge - and businesses have a crucial role to play in changing the course of our planet's future. The report shows that we already have solutions, in every sector, to halve emissions by 2030, in line with a 1.5°C pathway.

Risks and opportunities

Risks

- Existing clients are already requiring sustainable practices from suppliers
- Supply chain disruptions (due to extreme weather)
- Human health risks (due to extreme weather and pollution)
- Rapidly changing regulations
- Increased insurance costs
- Increased heating and cooling costs

Opportunities

- Attract and retain talent and customers
- Develop new offerings
- Decrease insurance costs
- Optimise efficiencies, reduce costs
- Increased resilience to change
- Brand enhancement
- Maintain reputation

It is important that we acknowledge both the climate risks to business, and the opportunities presented by embracing environmental sustainability.

Our carbon footprint

Measured by Positive Planet

How we measure our footprint

In devising a carbon reduction plan with the goal of achieving net zero, it is critical that we first understand where our emissions come from. To support this, we have partnered with Positive Planet to measure our emissions.

How our carbon footprint is calculated:

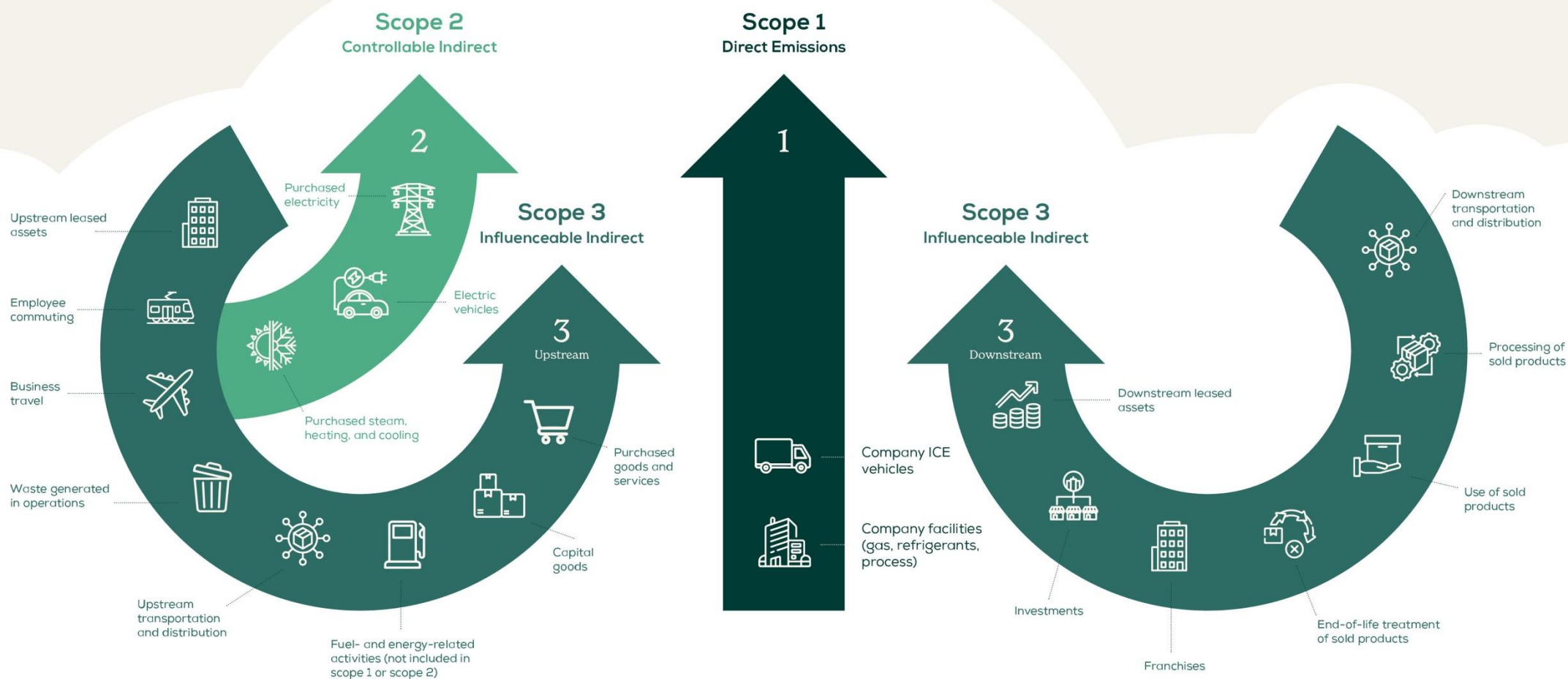
Using the GHG Emissions Protocol Standard, business emissions are identified using three scopes of emissions.

Six Greenhouse Gases are calculated as part this emissions report, known as the six Kyoto Protocol GHGs. These gases occur the most often as a result of business activities, with the highest Global Warming Potential. For the purposes of emissions reporting, these gases are simplified and measured in the unit of tonnes of carbon dioxide equivalent (tCO₂e).

We have measured our scope 1, 2, and upstream scope 3 emissions.

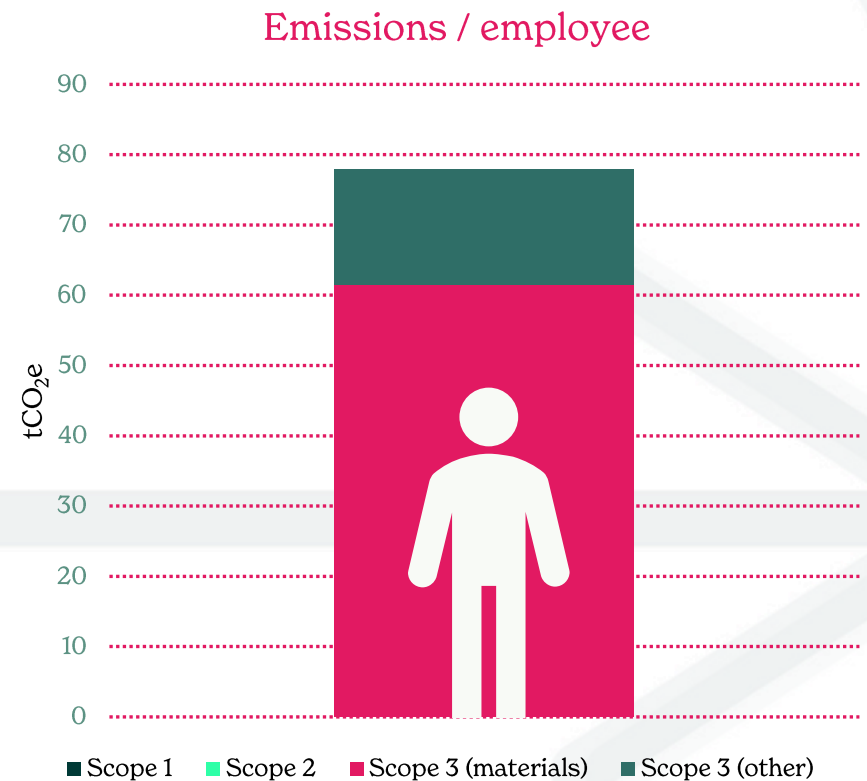
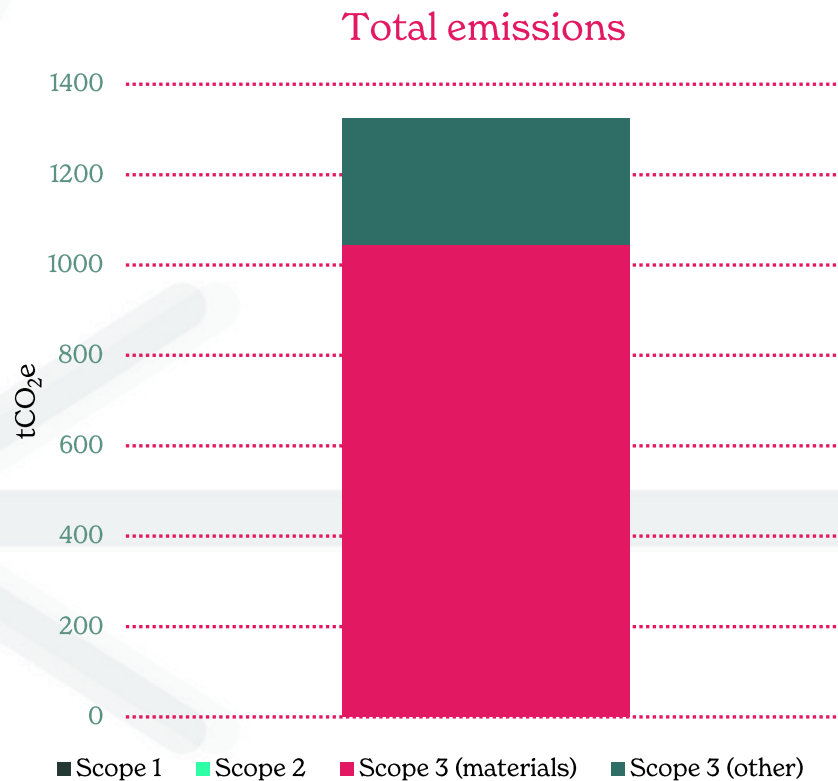


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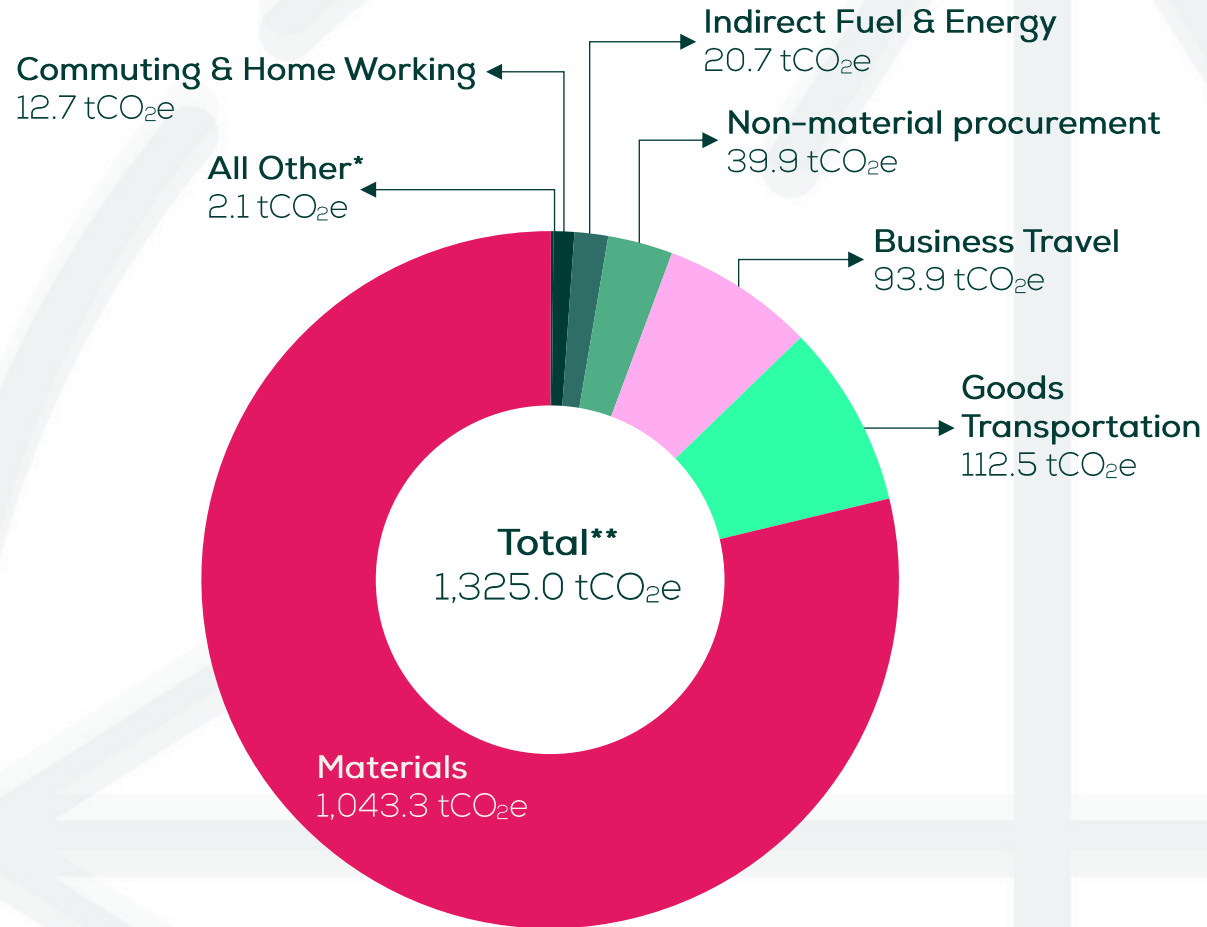


Our baseline emissions: Jan' - Dec' 2023

We have previously measured our 2021 emissions, however, this excluded materials purchased on behalf of clients. Following measurement and review of 2022 and 2023 measurements, inclusive of purchased materials, we have decided to set 2023 as our baseline year.



Annual emissions measurement



*Electricity (1.5 tCO₂e), Waste & Water (0.5 tCO₂e).

Reporting Period
Jan' – Dec' 2023

Carbon Intensity Per FTE
77.9 tCO₂e / Employee

Carbon Intensity Per Revenue
337.9 tCO₂e / £million

High Impact Activities:

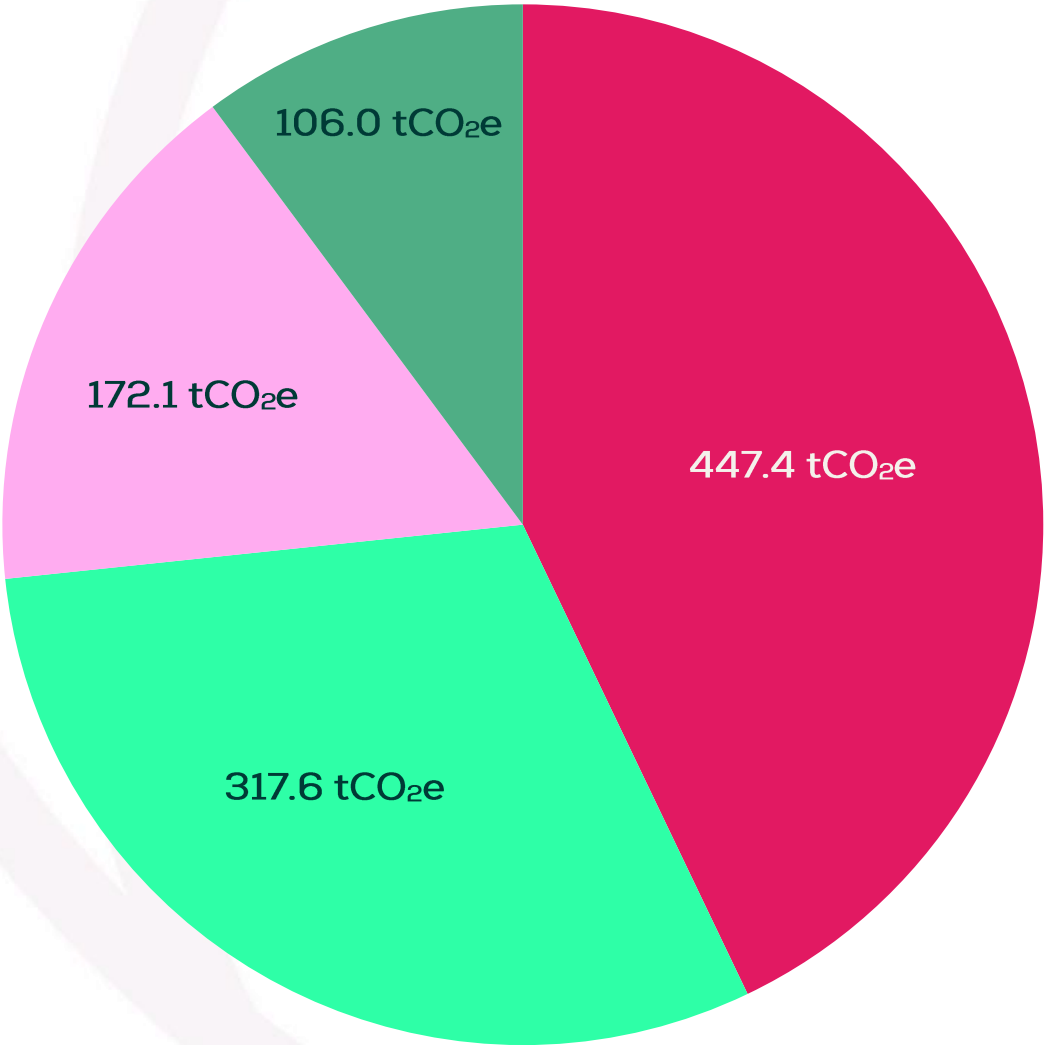
- Production of Materials
- Materials Transportation
- Business Travel (Flights & Road)

****Exclusions:**

- Downstream activities

Our emissions hotspots

Breakdown of material emissions for 2023



The majority of our emissions are associated with the materials we use for our installations, we've broken these into the following categories:

- Furniture
- Appliances
- Stone
- Sinks and Taps

Our net zero targets

Measured by Positive Planet

What does net zero mean?

To achieve net zero, companies aim to reduce emissions in line with science-based targets (SBTs). These are set by organisations and are “science-based” when they align with the reductions needed to keep global temperature rise well below 2°C, and preferably 1.5°C as per the Paris Agreement. SBTs provide companies with a pathway for sustainably transforming to a low carbon economy.

Current guidance from the Science Based Targets Initiative (SBTi) states that **most businesses should reduce their total emissions across all scopes by 90%** by 2050 at the latest. Carbon removals should then be used to neutralise the residual emissions. Net zero targets must include Scopes 1, 2 and 3.

Scope 1 emissions

Direct greenhouse gas emissions that occur from sources owned or controlled by a company, such as emissions from combustion of fuels in on-site boilers, furnaces, or vehicles.

Scope 2 emissions

Indirect greenhouse gas emissions that result from the generation of purchased electricity, steam or other forms of energy consumed by a company.

Scope 3 emissions

All other indirect greenhouse gas emissions that occur in an organisation’s value chain, including emissions from upstream and downstream (excluded) activities.

What’s the difference?

Net zero

When a business has reduced its Scope 1, 2 and 3 emissions by as much as possible, leaving only ‘residual’ emissions, which cannot be removed. Current guidance from the SBTi states that for most businesses, this means a total reduction in emissions across all scopes by ~90%. Carbon removals should then be used to neutralise the residual emissions.

Carbon neutral

A carbon neutral business has committed to reducing emissions, and in the meantime balances its remaining emissions through carbon removal/ offsetting schemes.

Zero emissions

When no carbon is produced directly from a particular activity, product, or service (such as the running of an electric van or an electric cooker on electricity produced through solar power).

Our short-term net zero targets

By 2030 we will:

1

Maintain zero
scope 1 emissions

2

Reduce scope 2
emissions to zero

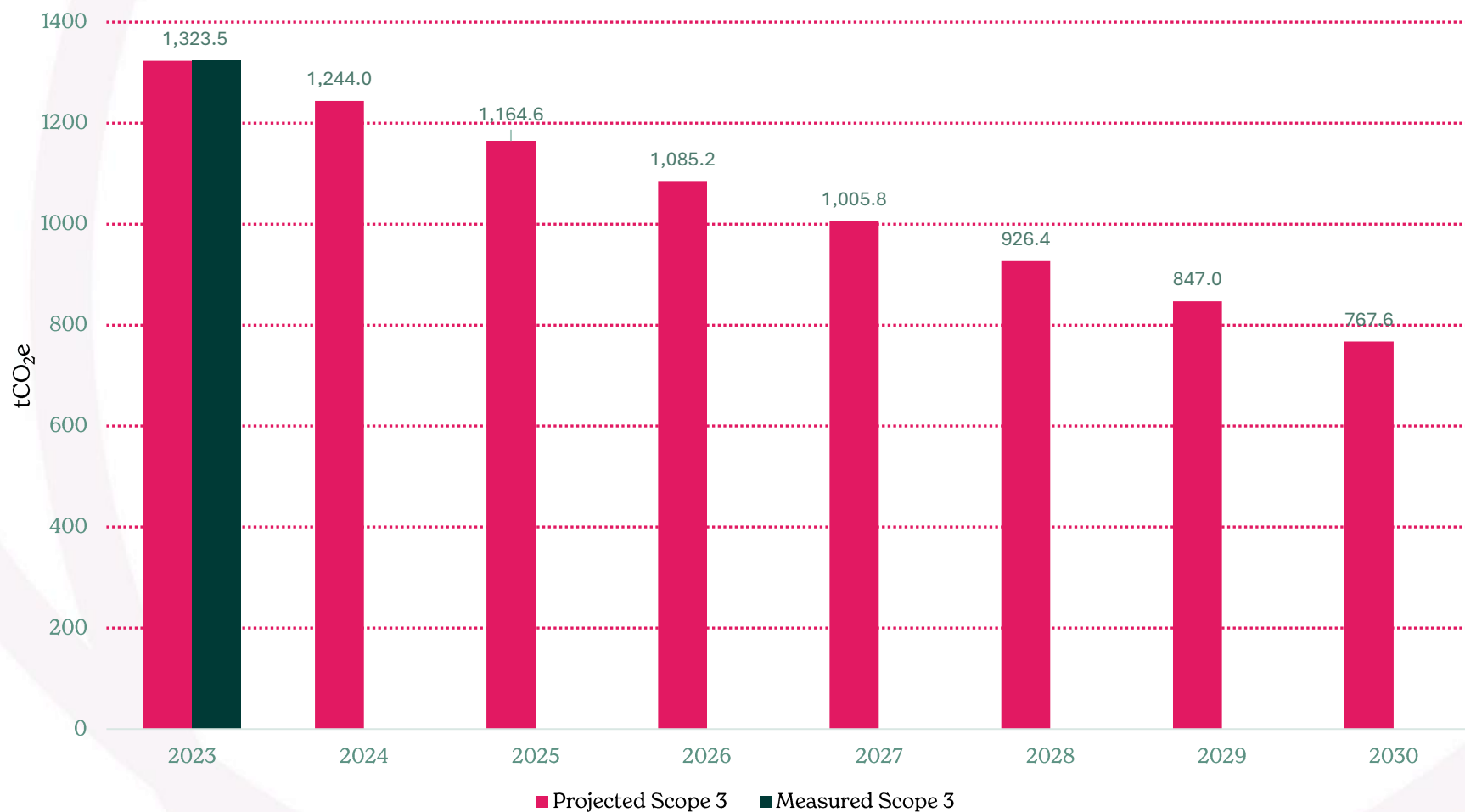
3

Reduce scope 3
emissions by 42%*

*Against a 2023 baseline

Targeted annual reduction

We are aiming to maintain zero scope 1 emissions and reduce scope 2 market-based emissions to zero by 2030. Additionally, we aim to reduce measured scope 3 emissions by 42% by 2030 against a 2023 baseline. To do this we will need to procure 100% renewable energy and reduce scope 3 emissions by 556 tCO₂e compared to our baseline year, requiring an average reduction of 6% annually.



Our net zero roadmap

Measured by Positive Planet

Steps we've taken to reduce emissions

Measuring our carbon footprint

In 2021 we committed to measuring and reporting our business' carbon footprint annually, allowing us to understand where our emissions come from and take action to reduce them. We appointed experts Positive Planet to support.

Behaviour Change

Since engaging with Positive Planet, we have delivered briefings to our team explaining why we're on the Net Zero journey.

Sustainable Forestry

We have always used and will always use FSC approved products. CIE has been FSC certified since 2014. Additionally, the majority of our team are trained in the use of the FSC trademark, with a select group receiving FSC Chain of Custody training.

ISO 14001

We have been accredited since 2015 and are committed to monitoring and managing our environmental impact through continuous improvement of our environmental management system, regular audits, and proactive implementation of sustainable practices.

Additionally, we engage with stakeholders to promote environmental awareness and responsibility, ensuring our operations align with the highest standards of environmental stewardship

Paper reduction

We have adapted our working practices to minimise printing and paper use internally. We provide documents to clients in digital format where possible.





Steps we've taken to reduce emissions (cont.)

Our scope 1 emissions are zero as we have no company fleet and no gas at our premises. While our scope 2 emissions are relatively small, we have sole ownership of these emissions and as such are directly responsible for reducing these to zero.

Our Parent Company determines our electricity provider, which imposes certain limitations on us. CIE is actively engaging with our Parent Company to implement smart meters and to obtain 100% renewable energy.

Meanwhile, our Parent Company is in the third phase of implementing the Energy Savings Opportunity Scheme (ESOS), a mandatory energy assessment program for qualifying organizations in the UK, overseen by the Environment Agency. There are multiple routes to achieve compliance, one of which includes obtaining ISO 50001 certification—a goal that our Parent Company is actively pursuing.

While procuring renewable energy will reduce our market-based scope 2 emissions to zero, we are still committed to implementing behavioural and equipment efficiency measures to reduce actual energy consumption. Reduced energy demand will have positive impacts for both the National Grid, by reducing demand during periods of low renewable energy availability, and for us by reducing energy bills, allowing us to invest savings further into emissions reductions.

Reducing emissions from procurement

In 2023 the goods and services we purchased produced 1,083 tCO₂e. In fact, 82% of our baseline emissions come from procurement activities.

The materials we purchase for use in our fit outs make up 96% of our baseline procurement emissions. This figure has been estimated using spend-based data, which means it cannot tell us much about the emissions of our specific suppliers; but it does tell us that this is an area where we need to focus our efforts.

Ultimately, our supply chain emissions are responsible for the majority of our total business emissions. It is therefore imperative that we develop and sustainable procurement policy and being engaging with suppliers to collect emissions and reduction strategy data, which will inform our reduction strategies further and allow for Net Zero supply chain integration.



We're aiming for a 42% reduction in procurement emissions by 2030.

This would require a 6% annual reduction from our baseline 2023 emissions, however, it is not possible to track reductions without first obtaining primary emissions data.

In 2025 we will develop a sustainable procurement policy and communicate our intentions to suppliers. From 2026 we will begin implementing this policy and collect data as part of our annual emissions measurement.

Collaboration with suppliers will be key to achieving reductions. Following the implementation of this policy and surveying we will increasingly include sustainability as a key factor in procurement decisions, inclusive of materials, packaging, logistics and service based solutions.

Reducing emissions from transporting and distributing goods

The transportation and distribution of materials used in our fit outs is the second largest contributor to our baseline emissions, resulting in 112.5 tCO₂e being released into the atmosphere. These emissions were split between transportation (64%) and storage (36%).

In line with the procurement policy outlined on the previous page, we are committed to gathering better data regarding our transportation and storage activities so that we can begin to make informed decisions around the decarbonisation of our logistical supply chain. As with our other suppliers, we plan to survey our transportation providers so that we can prioritise those who can demonstrate a decarbonisation strategy and use supplier-specific data to improve future emissions reporting.

Embedding sustainability into our culture

As an organisation, we aim to inspire positive change in every area of our work. We are responsible for maintaining positive relationships with our stakeholders – whether that's our team members, clients, partners, or our local community.

Building a sustainable workforce

We plan to have 100% of employees certified as Carbon Literate by the end of 2025 and embed training into employee onboarding processes.

Sustainable Travel

In 2025, we will develop and implement a Sustainable Travel Policy to inform employee decisions around business travel and, where appropriate, commuting. We will improve internal processes to begin capturing more granular data around business travel (e.g. distance travelled by various modes).

Engaging clients

We are committed to engaging with our clients to help them understand the climate impact of their own decisions in a non-judgemental, supportive way. In line with this we are committed to developing a low carbon offering as our supply chain integration allows.

By implementing the above actions, we hope to also reduce our waste, business travel and commuting emissions by encouraging sustainable behaviours within our team. This includes encouraging the adoption of low-emission lifestyles as and when UK infrastructure allows (e.g. active travel, green home energy)



Getting to net zero

Our Net Zero strategy can be summed up into three major steps:



1. Measure

We will measure our emissions each year and review our priorities for the year ahead each time. During this time, we will place a particular emphasis on gathering supplier-specific data from our suppliers.



2. Reduce

We've already outlined some short to medium term initiatives to begin work on this year. Using future measurements, we should be able to provide more insight into emissions hotspots as data quality improves.



3. Offset & Inset

In the short to medium term, we will invest funds into our own operations to reduce emissions. Once we see we have reduced the emissions that we can control and influence (especially as we approach the original 90% emissions reduction target), we will look to offset or inset the remaining emissions, thus reaching net zero.

Summary

We are proud to be on the journey to Net Zero and of the progress we have made to date with regard to improving our emissions measurement processes.

At CIE, we are committed to leading the charge towards a sustainable future through our Net Zero initiative. Our goal is to achieve Net Zero emissions by 2050.

As an FSC and PEFC certified company, we uphold the highest standards of sustainable forest management, ensuring our products contribute positively to our Net Zero objectives.

By fostering a culture of sustainability and partnering with industry leaders, we aim to reduce our environmental impact, support global climate goals, and create lasting value for our stakeholders.

Through continuous improvement and transparent reporting, CIE is dedicated to a greener, more resilient future.