

# Grafton Group plc

## Scope 1 & 2 carbon emissions criteria

### Reporting Boundary

All Grafton Group subsidiaries are included within the scope of the greenhouse gas (GHG) emissions data (Scope 1 and 2 as per the Greenhouse Gas Protocol). New acquisitions are included from the date of completion and divestments are included up to the date of disposal. Prior year comparatives are not updated to reflect acquisitions in the current period.

The Grafton Group defines its GHG footprint as the amount of GHGs (reported as tCO<sub>2</sub>e) emitted as a result of its direct, financially controllable operations i.e. those emissions where it has financial control of the company and pays for the fuel/electricity associated with those emissions.

These Grafton Group GHG Reporting Criteria set out in detail the scope and sources included in the Grafton Group GHG footprint as follows:

- The energy sources where the Grafton Group is the counter party to the contract to supply.
- Use of electricity and fuels to heat, light, operate buildings and run manufacturing processes.
- Fuels used to operate company owned vehicles, plant and machinery.
- Fuels purchased with a company fuel card. An assumption of 2/3 of fuel use is for business use is adopted where exact mileage is unknown.

- Expensed mileage claims from company owned vehicles.
- New acquisitions are included from the date of completion and divestments are included up to the date of disposal. Prior year comparatives are not updated to reflect acquisitions or divestments in the current period.

### Emission Source Classification

#### Scope 1

##### Direct: On site fuel use

Fuels purchased and consumed for heating or process activities – such as oil, gas, kerosene, LPG, etc.

##### Direct: Company Transport

Petrol, diesel and other fuels paid for directly to run trucks, vans, cars, loaders, shunters, forklift trucks or similar transport. This could be via fuel cards, credits cards, onsite tanks with regular deliveries or other direct payment routes.

#### Scope 2

##### Indirect: Electricity

Electricity paid for directly to run buildings, for manufacturing processes and electric forklift trucks, including owned and leased sites. This includes electricity that is paid for by the Grafton Group.

##### Indirect: District Heating

District heating paid for directly to heat buildings that is paid for by the Grafton Group.

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### Energy Data

The Grafton Group measures and reports its GHG emissions based on activity data during the reporting period multiplied by publicly available emissions factors. Activity is measured using actual consumption of electricity, natural gas or other fuel where readily available, although the following data sources are acceptable:

#### Energy use Data sources Electricity and Heating

- Meter readings (automatic)
- Invoices from utility suppliers (based on meter readings where readily available, otherwise based on supplier estimates)

#### Vehicles, Plant and Machinery

- On site fuel tank readings
- Invoices for delivery to onsite tanks
- Fuel card invoices
- Invoices for fuel supply. If consumption data is not available purchase data is used (e.g. heating oil with no tank gauge)

When data is missing and efforts to obtain actual data from a 3rd party have failed, usage is estimated rather than omitted, based on data from the previous reporting cycle. Significant estimates are replaced with real data when received.

### Conversion Factors

Conversion factors used in the Ecometrica platform (<https://ecometrica.com/>) are taken from the relevant published data from each jurisdiction. The following list are the organisations and government departments that are the source for the relevant emission factors:

- United Nations
- IPCC
- Sustainable Energy Authority of Ireland (SEIA)
- Department for Business, Energy and Industrial Strategy (BEIS)
- Euroheat & Power (Finland)
- CE Delft (Netherlands)
- CO2 emissiefactoren (Netherlands)

Scope 1 and 2 greenhouse gas emissions calculation:

$\text{GHG emissions} = \text{activity data} \times \text{emission conversion factor}$

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### Carbon Metrics

- Total Scope 1 and Scope 2 greenhouse gas emissions intensity (tCO<sub>2</sub>e per £m Revenue)
- Scope 1 greenhouse gas emissions (tCO<sub>2</sub>e)
- Scope 2 greenhouse gas emissions (tCO<sub>2</sub>e)

Total Scope 1 and Scope 2 greenhouse gas emissions intensity (tCO<sub>2</sub>e per production) location-based.

All sites where the Grafton Group has direct financial control.

Methodology:

1. Data collection: Data is collated by the Grafton Group on a quarterly basis for majority of business units. Some business units collate data monthly for some activities. Business units based in the Netherlands report on a half yearly basis.
2. Location-based emissions intensity ratio = Total Scope 1 and location-based Scope 2 (tCO<sub>2</sub>e) / £m Revenue
3. Market-based calculations will be investigated during 2023

### Carbon Emissions Target

Currently a 2% reduction in CO<sub>2</sub>e emission per million of revenue from continuing operations of the Group from the 100% baseline of 24.5 tonnes per £m in 2021. (minimum 2% in 2022 and cumulative 2% each subsequent year subject to change when SBTi is completed.)