

Moores Furniture Group Limited

Directors' Report (continued) For the Year Ended 31 December 2020

Greenhouse gas emissions, energy consumption and energy efficiency action

The following Energy & Carbon Report is for Moores Furniture Group Limited, an unquoted large company.

Note: 2020 is the first year of reporting for Moores Furniture Group Limited and thus we are not required to disclose information for the previous year.

Description of category		Current reporting year 2020		Comparison reporting year 2019	
		kWh	tCO ₂ e	kWh	tCO ₂ e
Energy consumption used to calculate emissions (kWh)		10,567,628			
Breakdown of the above total energy by source	Electricity (optional)	4,122,256			
	Gas (optional)	30,189			
	Transport (optional)	6,415,183			
Emissions from combustion of gas – Scope 1 (tCO ₂ e)			6.5		
Emissions from combustion of fuel for transport purposes – Scope 1 (tCO ₂ e)			1,537.8		
Emissions from business travel in rental cars or employee-owned vehicles where the company is responsible for purchasing the fuel – Scope 3 (tCO ₂ e)			9.6		
Emissions from purchased electricity – Scope 2, location base -UK.– (tCO ₂ e)			961.1		
Total gross CO ₂ e based on the above (tCO ₂ e)			2,515		
Intensity ratio: tCO ₂ e gross figure based from mandatory fields above			0.0083		

Note: the intensity ratio is based on comparing emissions data with an appropriate business metric or financial indicator, where Moores Furniture Group Limited have used the business metric as being the total number of assembled units (cabinets) produced for the period 1 January 2020 to 31 December 2020.

Moore's Furniture Group Limited

Directors' Report (continued) For the Year Ended 31 December 2020

Greenhouse gas emissions, energy consumption and energy efficiency action (continued)

Energy efficiency actions

Moore's operate a 600,000 ft² factory and as such one of the aspects / impacts falling under our 'Sustainability Vision, Policy & Strategy' is energy reduction, with emphasis on reducing the operational carbon requirements.

1. Biomass boilers

Moore's have made significant inroads to reduce carbon (CO₂), with the first of our biomass boilers installed in 1987, the second biomass boiler installed in 1997. Where waste MFC (Melamine Faced Chipboard) / worktop material and trimmings from the production process are used as fuel for our two off biomass boilers. The hot water generated used to heat the factory.

The bio-mass boilers reducing the reliance of 1,000's of litres of fossil fuels (in excess of 530,000 litres per annum) whilst removing 1,000's tonnes from the waste stream and all of their associated transportation implications and CO₂ emissions. A reduction of circa 1,200 tCO₂e, per annum (comparison of gas oil, versus the use of wood chips).

One of the key recommendations detailed within our ESOS 2018 audit report highlighted that the two biomass boilers are the biggest energy sources on site, accounting for 76% of total energy consumed.

Owing to the age of the boilers; that new boilers are more efficient, significantly less polluting than the old boilers, and that new boilers fall under the remit of the RHI (Renewable Heat Incentive), the decision was taken to replace one of the biomass boilers. The new boiler specified to meet existing and the, yet to be published, Technical Note 5/1(18) legislation.

Therefore, owing to the magnitude of the project and as a result of the COVID – 19 pandemic, Moore's Furniture Group Limited have devoted the majority of their resources for 2020 into the installation of the new biomass boiler, which became operational from March 2021.

Benefits: RHI compliant; reduced emissions; CO₂ (carbon) reduction; improved fuel efficiency. Savings as a result of the new biomass boiler installation will be highlighted within the 2021 compliance year Energy & Carbon Report.

2. LED lighting

Moore's Furniture Group Limited have made significant investment into LED lighting over the last five years, replacing in excess of 2000 traditional light fittings (to date) with LED light fittings. The LED replacement project reflected within the ESOS 2018 audit.

It was recommended within the ESOS 2018 report to continue with the installation of LED lighting, which we continue to pursue, although at a reduced rate owing to COVID – 19 and the biomass boiler installation project.

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Directors' Report (continued) For the Year Ended 31 December 2020

Greenhouse gas emissions, energy consumption and energy efficiency action (continued)

Energy efficiency actions (continued)

3. Upgrade of the three-axis angle (saw) plant

An investigation into the replacement for the three-axis angle plant identified that the machine frame, saw carriages and other mechanical parts of the equipment were in exceptional condition, the equipment being maintained by our in-house maintenance team. However, the electronics required to be brought up-to-date, as the electronics were difficult to obtain as direct replacements owing to the age of the machine.

The investigation identified that 'refurbishing' the machine was the optimum solution, the refurbishment involving replacing the: computer control systems, mechanical switches, pusher DC drive motors - upgraded with new electronic control and general rewiring. The opportunity also taken to install additional handrails for improved safety.

The refurbishment designed to upgrade the three-axis angle plant to: improve the reliability of the machine, with the expectation of a slight increase in the output of the machine and a reduction in energy consumption through the improved electrical efficiency of the pusher drive motors.

The reconditioning of the machine of significant environmental benefit as it re-uses the machine frame, saw carriages, etc. Significantly reducing the 'carbon' associated with a replacement machine and scrapping of the redundant equipment.

4. Energy mixture:

98.6% of total electricity (kWh) consumption for 2020 was supplied by our energy partner from 'renewable energy' sources

5. PHEV fleet vehicles:

Moore's plug in hybrid fleet has increased by 10 cars during 2020, bringing the total to 18 PHEV cars, accounting for 25% of our fleet vehicles. This has resulted in a reduction of 3 tCO₂e

6. Delivery of product to customers:

Restructuring of the delivery systems reduced the delivery mileage per order by 21%

Methodology

The 'Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance - March 2019' have been used for the reporting requirements and structure of Moore's Furniture Group Limited SECR 'Energy and Carbon Report'. Where Moore's Furniture Group Limited are classified as a large unquoted company.

'The Greenhouse Gas Protocol' – a corporate accounting and reporting standard - was used as the basis for effective emissions management and transparency in reporting, including:

- Chapter 1: GHG accounting and reporting principles, reference 'transparency', e.g. audit trails
- Chapter 6: Identifying and calculating GHG emissions. *Note: the categories identified within the 'Environmental Reporting Guidelines' document*
- Chapter 10: Verification of GHG emissions, where Moore's Furniture Group Limited have partnered with Ameresco Ltd for external 3rd party verification (optional – although seen as 'best practice' for the SECR)

Specific data, e.g. purchased electricity, captured using the same systems as used to fulfil the requirements of ESOS (Energy Savings Opportunities Scheme).

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Directors' Report (continued) For the Year Ended 31 December 2020

Greenhouse gas emissions, energy consumption and energy efficiency action (continued)

Methodology (continued)

The government conversion factors for company reporting (Annual Conversion Factor Publications - Greenhouse Gas [GHG]: condensed set) have been used for determining the conversion of litres for LPG, petrol, diesel and gas oil into kWh and for the corresponding tCO₂e reported for compliance year 2020. The conversion factors available at:

<https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2020>

Note: as recommended within the GOV.UK conversion factors, the conversion factors for kWh use the Gross CV (kWh / litre) figures

Moore's Furniture Group Limited are certified to the following, externally audited, accreditations:

- Occupational Health & Safety Management Systems to BS ISO 45001: 2018. Certificate number: OHS 62015. Audited by BSI
- Environmental Management Systems to BS EN ISO 14001: 2015. Certificate number: EMS 85729. Audited by BSI
- Quality Management Systems to BS EN ISO 9001: 2015. Certificate number: FM 01710. Audited by BSI
- FSC (Forest Stewardship Council) Chain of Custody. Certificate number: TT-COC-001537. Audited by BMTrada
- FISP (Furniture Industry Sustainability Programme). Certificate number: 6. Audited by FIRA (Furniture Industry Research Association)

Additionally, Moore's:

- Are members of the Supply Chain Sustainability School, attaining 'Gold' member status
- Are members of the Supply Chain Sustainability School - Climate Action Group (Carbon Reporting Project) inputting information on a quarterly basis to reflect Moore's carbon emissions (tCO₂e) for specified carbon indicators
- Are Members of FIRA Club Green which signifies an environmentally conscious company with a demonstrable commitment towards corporate environmental responsibility. Audited annually by FIRA
- Are members of RoSPA (Royal Society for the Prevention of Accidents). Membership number: M 40101408, awarded 'RoSPA Manufacturing Sector Award Commended – 2020'
- Moore's logistics partner - XPO Logistics - hold FORS (Fleet Operator Recognition Scheme) Silver certification. FORS ID: 001618-7

See: <https://www.moore's.co.uk/about-moore's/csr/> for further information

Third party verification

Undertaken by Ameresco Ltd