

# Environmental policy

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## POLICY STATEMENT

At Cennox, our mission is to lead the industry with our spirit of innovation, invention and inspiration. It is this same spirit that drives our approach to environmental, social and governance practices across our multinational business as we work to best support our customers, employees, communities and other stakeholders today – and for every tomorrow. We have a responsibility to confront the challenge of climate change by reducing Cennox’s greenhouse gas emissions by the maximum practicable rate. Reducing energy and emissions remains one of Cennox’s top priorities, and we will continue to meet this challenge through best-in-class innovations in energy efficiency, energy management, and renewable energy.

The Cennox Group Board initiated a cross-disciplinary ESG Committee to develop a comprehensive ESG program to focus on measuring and reporting on all Environment, Social and Governance activities across the Group, worldwide. This year we will formalize our reporting and metrics, but the below represents our last drafted goals. Using this frame we have already begun implementing the ESG program, gathering data into our ESG software (Diligent), and using Diligent to develop groupwide and regional reports to analyze the impacts of these policies and how we can leverage positive impact across territories.

Our program includes GHG and Renewable Energy targets. This policy will be reviewed annually due to global changes in people, environment, technologies, and laws which impacts human rights policies and approaches. We also engage with our supply chain to ensure they too have aligned values. Additionally, as mentioned above, Cennox has engaged Diligent as our platform to store and generate ESG details, reports, and policies. Diligent will further measure and bench test the policies of our suppliers, enabling us to provide a more robust verification process and ensure greater compliance with human rights laws and policies by our suppliers.

The following targets have been benchmarked with other companies who sit in the Fortune 500 or FTSE100 and have a working ESG strategy in place. Our targets are based on achievable and aspirational metrics.

- + Assess and regularly re-assess the environmental effects of Cennox’s activities.
- + Training of employees in environmental issues.
- + Minimize the production of waste.
- + Minimize material wastage.
- + Minimize energy wastage.
- + Promote the use of recyclable and renewable materials.
- + Reduce and/or limit the production of pollutants to water, land and air.
- + Control noise emissions from operations.
- + Minimize the risk to the general public and employees from operations and activities undertaken by Cennox.

### Management

- + Integrate environmental concerns into all planning and design decisions and maintenance and management of properties.
- + Continually seek to measure and improve environmental performance.

### Employee awareness

- + Raise staff awareness of environmental issues and promote individual good practice.

## Procurement

- + Require suppliers to provide goods and services with the minimum adverse environmental impact.
- + Ensure that goods and materials purchased comply fully with applicable government legislation and recognized environmental best practice.

## Environment targets

- + Reduction in Greenhouse Gas Emissions: maintain a long-term commitment to reduce greenhouse gas emissions by the maximum practicable rate, aligned with the United Nations Intergovernmental Panel on Climate Change recommendations to reduce emissions by 45% by 2030 with the aspiration of 100% by 2050. Net zero means cutting greenhouse gas emissions to as close to zero as possible, with any remaining emissions re-absorbed from the atmosphere, by oceans and forests for instance.
- + Energy reductions: identify and implement net present value positive energy conservation measures in our buildings. 80% Renewable energy across all regions with an aspiration of 100% renewable energy Usage by 2050.
- + Reduce global waste 50% by 2040, with the aspirational goal of becoming a zero-waste business.
- + Develop company-wide standards for targeted environmentally preferred products by 2030.
- + Require all major vendors to report on progress in meeting Cennox standards and specified third-party environmental certifications and demonstrate their commitment to sustainability through corporate responsibility reporting by 2025.

## Utilities and natural resources

- + Make efficient and environmentally responsible use of energy, water and other natural resources.

## Waste

- + Minimize waste by ensuring all operations are as efficient as possible, with the goal to reduce global waste by 50% by 2040, with the aspirational goal of becoming a zero-waste business.
- + Reduce business-wide water use 30%, including process and potable water usage.
- + Actively promote re-use and recycling, both internally and with suppliers.

## Transport

- + Maintain and continuously improve sustainable transportation opportunities, programs, reduction in transport emissions and incentives for Cennox supply chain.
- + The use of cars for single occupant journeys is discouraged; staff will be encouraged to use public transport, cycle and walk to work.
- + Air travel will be used only where there is no alternative viable option.

## Legislation

- + We will aim to meet or exceed the environmental legislation in applicable jurisdictions.

## Responsibilities

- + All staff will be expected to take measures to minimize environment impact through simple measures.
- + Managers and heads of department will ensure that environmental issues are integrated into the planning and decision-making process.

## Reporting

- + An ESG department has been created within Cennox, with a Group Manager for Environmental, Social and Governance overseeing compliance.
- + Communicate environmental performance within Cennox, with customers, and within our supply chain.

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Document Name:	Environment Policy	Creation date:	02 Sept. 2018
Document Reference:	PS4501	Created by:	Chris Cockett
Version Number:	4	Reviewed Review date:	26 Oct. 2023 26 Oct. 2024
Owner:	Group ESG Manager	No. of pages:	3
Approved		26 Oct. 2023	
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