



Our flagship sustainable range



The Home of Homes

Sustainability overview

January 2022

Committed to growth that is sustainable



Welcome to our **sustainability** overview – a quick tour of the key things we are focusing on as a business.

In 2021 we made a **step-change** to our approach, pushing discussions about sustainability higher up the **Board agenda**, investing in new skills, changing our reporting structures and embedding **‘all things sustainable’** into the way we run and talk about our business.

Our **purpose** focuses on ‘the generations to come’ and **long-term thinking** is one of our shared values. We are **ambitious about being a good company** and have signaled that not only is ‘sustainability’ one of our six strategic focus areas, it is also a foundation of the business – which we will continue to build.

We cannot grow profitably to become our **customers’ 1st choice for home** without offering choice, quality, value and sustainability; and doing the right thing for our stakeholders. That is our **commitment** and I hope you get a flavour of the importance we attach to this in the following pages.



Nick Wilkinson, CEO
January 2022

In the pack...

GOVERNANCE

How we embed sustainability in the business

- Sustainable in everything we do
- Sustainability governance

CARBON REDUCTION

Pathway to zero emissions

- Reducing GHG emissions (Scopes 1, 2, 3)

Cutting waste

- Recycling, landfill diversion and food waste

CIRCULAR ECONOMY

Being more circular

- Product circularity
- Product design and longevity
- Take back, repair and upcycling

More responsible materials

- Cotton, Timber, Plastics and packaging, Palm oil and animal-derived products, Pausa food and drink

Protecting people and communities in our supply chains

- Ethical standards, human rights and anti-slavery

COMMUNITY

Colleagues - feeling at home wherever you work

- Fair employment and reward
- Inclusion and diversity
- Engagement and development
- H&S, wellbeing and security

Caring about our communities

- Enhanced community engagement

Acting legally, fairly and honestly

- Shared values, culture and core policies
- Modern slavery
- Tax and supplier payments

... for more info

Appendix

- Plan on a page
- Metrics and targets
- Further reading



Governance

How we embed sustainability in the business

- Sustainable in everything we do
- Sustainability governance



Sustainable in everything we do

- **Purpose** – “for the generations to come”.
- **Ambitions** – Being a good company.
- **Values** – Long-term thinking.
- **Foundations** – Sustainable in everything we do.
- **Strategy** – Our pathway to net zero, building sustainability into all that we do and making it easier for our customers.
- **Customer proposition** – Products that are great value with choice, style, quality & sustainability.

‘Plan on a page’ – revised annually, see appendix



Sustainability governance

Championed by:
Nick Wilkinson
Chair of Pathway to
Zero Steering Group



Supported by:

Dawn Durrant
Company Secretary



Christina Downend
Head of Climate Change



CARBON REDUCTION



- Pathway to zero emissions
- Cutting waste
- Climate change risk (TCFD)

Better for the planet

Executive Board responsibility:
Laura Carr, CFO



CIRCULAR ECONOMY



- Being more circular
- More responsible materials
- Protecting people and communities in our supply chains

Better for your home

Executive Board responsibility:
Faye Atkins, Commercial Director



COMMUNITY



- Colleagues - feeling at home wherever you work
- Caring for our communities
- Acting legally, fairly and honestly

Better for people

Executive Board responsibility:
Terri Westlake, Customer Director

Dawn Durrant
(Health and Safety &
Anti-Bribery)



Amanda Cox
People & Stores Director
(Colleague and HR matters)

Underpinned by best practice governance, shared values, processes and policies

Carbon reduction

Pathway to zero emissions

- Reducing GHG emissions (Scopes 1, 2, 3)

Cutting waste

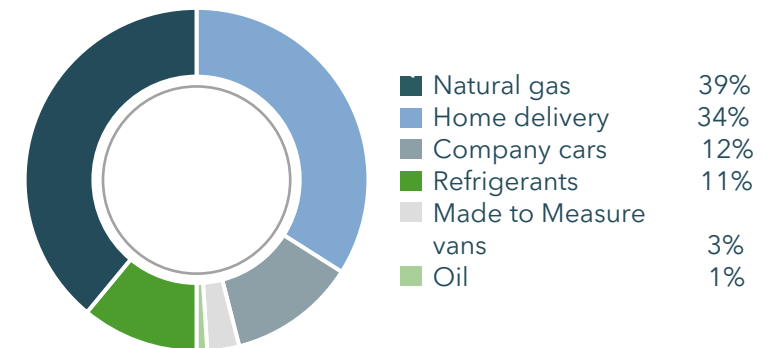
- Recycling, landfill diversion and food waste



Reducing GHG emissions: Scopes 1 and 2

- **Our goal: absolute greenhouse gas emissions reduction of 50% by 2030 v 2019 base.**
- Initial work with Carbon Trust to develop baseline data and calculation methods; currently refining methodology.
- Published **10-year GHG reduction targets** in February and September 2021; applying for SBTi validation in 2022.
- Plans to reduce **Scope 1 (direct) emissions** include:
 - **Replace** gas-fired heating with **electric heating run on purchased renewable energy**; reduce emissions from refrigeration gases by **replacing them** with lower global warming potential gases.
 - **Optimise home deliveries**; train drivers and use telematics to **improve fuel efficiency**; test and trial low-emissions fuel for fleet; **electric-/hybrid-only** company car fleet;
- Reduction target in **sustainability-linked RCF**.

Scope 1 emissions, % split by category



Our **Scope 2 (indirect) emissions** are already at 'zero' under a market-based approach (we buy REGO-qualifying electricity).

We continue to reduce Scope 2 emissions through monitoring and use of automation.

Reducing GHG emissions: Scope 3

- **Our goal: absolute greenhouse gas emissions reduction of 50% by 2030 v 2019 base.**
- **Reduction of Scope 3 emissions** represents our greatest opportunity and toughest challenge.
- Over **85% of Scope 3 emissions attributed to sourcing and manufacture of our products**; of own brand sourcing volumes around **50% is accounted for by textiles.**
- In April 2021, we were the first homewares retailer to join industry group **Textiles 2030** and commit to their targets.
- We aim to provide more **sustainable product choices** for customers and colleagues; provide more information about how to **care for and repair products** and **take-back and recycling options** (see 'Being more circular' slides).
- Working with logistics partners and industry groups to **support development** of low-carbon infrastructure and vehicles for outsourced transportation/distribution.

Scope 3 emissions, % split by category



Textiles 2030 is a voluntary agreement, designed to limit the impact textiles (particularly in the fashion industry) have on climate change and the environment.

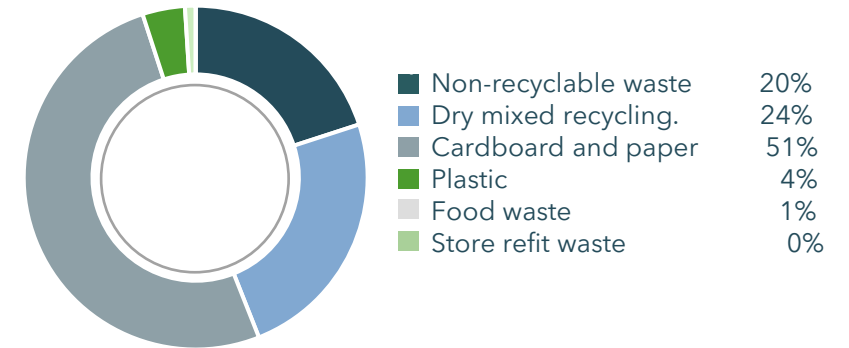
Note on TCFD

- Voluntary progress report FY21
- Full report due FY22

Recycling, landfill diversion and food waste

- Priority is to **minimise generated waste**, recycle where possible, and send to landfill sites as last resort.
- In FY21, we recycled **80%** of operational waste with most store waste sent directly to recycling plants; landfill diversion rate fell by 1% to **96%** owing to lack of industry recycling capacity due to Covid-19.
- Work with waste management partners to identify further opportunities **to minimise and reprocess waste** (e.g. old store fittings and waste from refits activity).
- Improve 'back-of-store' signage and communication to make it easier for colleagues to **segregate and recycle**.
- Aim for **no food to be thrown away** in Pausa cafes through better stock management and discounting/donating perishable items nearing end of life; any food waste generated is recycled.

Breakdown of waste, % generated by weight FY21



80% of operational waste recycled in FY21, meeting target

Coffee grounds given away for local composting



Circular economy

Being more circular

- Product circularity
- Product design and longevity
- Take back, repair and upcycling

More responsible materials

- Cotton
- Timber
- Plastics and packaging
- Palm oil and animal-derived products
- Pausa food and drink

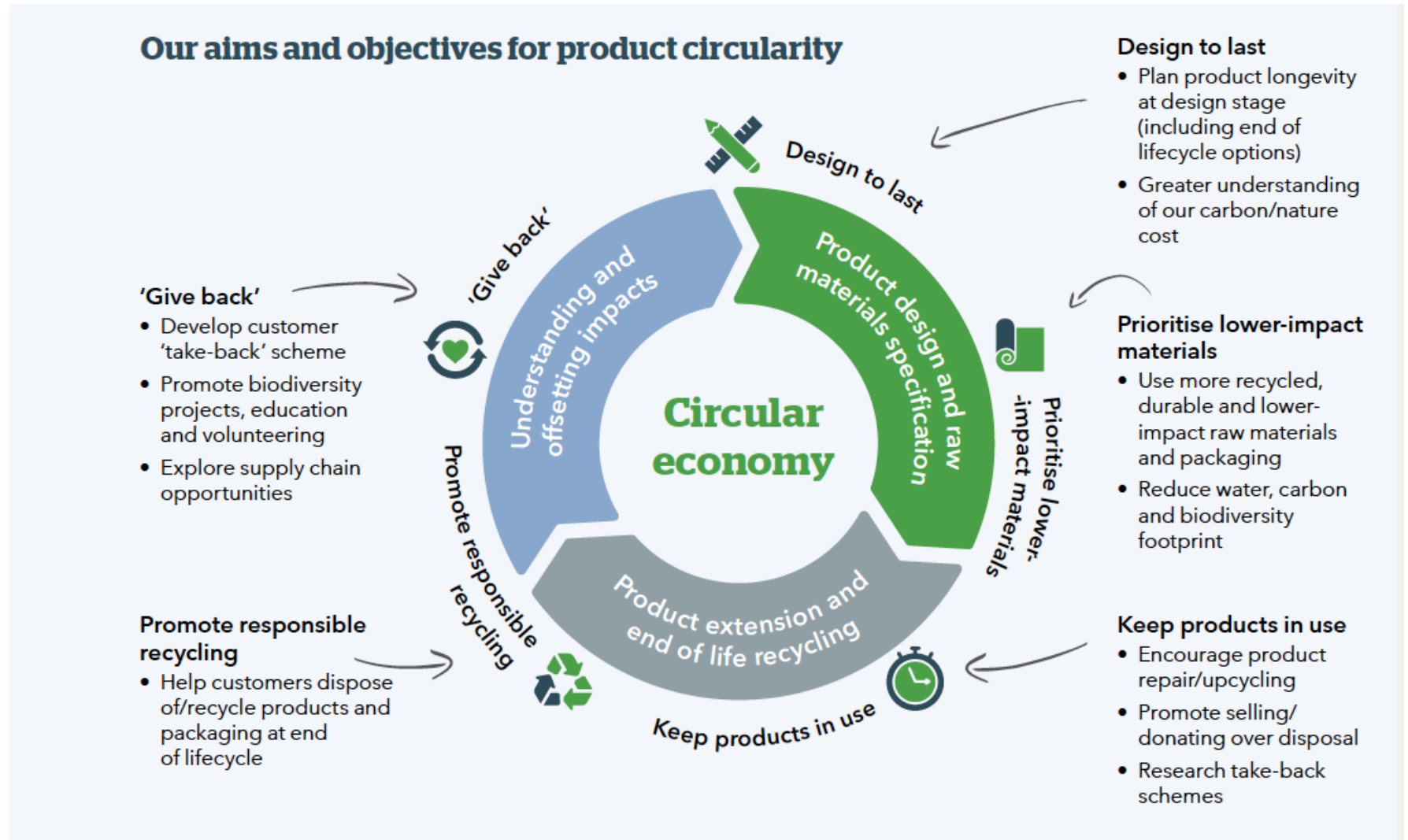
Protecting people and communities in our supply chains

- Ethical standards, human rights and anti-slavery



Product circularity

We are increasingly designing products for the longer term, prioritising materials that have **less impact** and developing helpful **end of life product options** for our customers.



Product design and longevity

- Around **80%** of c.50,000 own brand products are **designed in-house or exclusively** by external designers, allowing us to **influence and develop** more sustainable ranges.
- All products always designed with **quality and value in mind** and, increasingly, **sustainability**; focusing more on product longevity, using more **lower impact materials**, and **designing in** ability to **recycle, repair and reuse**.
- In September 2020, we launched our **flagship range of sustainable products** under 'The Edited Life' brand in six major categories. Each product has a **sustainability credential** and is **designed to last longer**: durable materials, pared-back designs with neutral colours that will not go out of fashion and can be easily mixed and matched.
- Aim to expand 'The Edited Life' to provide **more affordable, sustainable options** for customers.

Design to last



'The Edited Life' Urban Tableware

- Tested to hotel/restaurant standards
- Durable and designed to last

Prioritising lower-impact materials



So Soft Bamboo Towels

- Bamboo is renewable, grown with a low-water footprint and pesticide-free

Take-back, repair and upcycling

- We encourage customers to **reuse and repair** items and to dispose unwanted items responsibly through expanding our range of **take-back and recycling services**.
- **Communicated** on dunelm.com, Facebook store groups and in-store; **reconfiguring store layouts** to make services more convenient and prominent.
- Promoting **WEEE** take-back scheme in partnership with 'Recycle Your Electricals'
- Rolled out our **textiles, quilts and pillows take-back scheme** across the store estate in December 2021 .
- Working with other partners (Clearabee, British Heart Foundation and Group charity partner Mind) to offer take-back of **homewares** and **bulky items** (mattresses, beds, furniture).
- Take-back targets in **Directors' LTIP** and **sustainability-linked RCF**.

  **Keep products in use and promote responsible recycling**



Reuse/recycle

- Vegetable bags, beeswax wraps, kitchen storage garden composters

Upcycling

- Replaceable chair legs, furniture paint range, haberdashery

Life hacks

- Blogs and 'how-to' videos

Expanding range of take-back services



A second life
for your soft furnishings



Electrical takeback

If you're buying a new electrical item from us, we'll recycle the one you're replacing for free.



It's as easy as
1, 2, 3

- 
1
Wrap or bag
items at home
- 
2
Place bagged items
in the in-store
collection bag
- 
3
Scan the QR code
to leave feedback



Mattress & furniture
recycling

In partnership with  & 



Buying a new
electrical item
from us?

We'll recycle the one you're replacing for **free**. Everything with a plug, battery or cable can be recycled. We'll take your old electrical item and get it recycled so it can be turned into something new.

Simply bring your old electrical item back to us within **28 days** of purchasing your new item.



Cotton

- All **suppliers of Dunelm own brand cotton** products must meet minimum standards and commit to **higher 'preferred' standard by 2025** as set out in our **More Responsible Cotton policy**.
- To meet higher 'preferred' standard, suppliers must adhere to an **industry-recognised cotton programme** that promotes **lower impact** and **ethically sound cotton sourcing** (e.g. Better Cotton Initiative and Fairtrade) and manufacturing standards (e.g. ISO26000 and MADE IN GREEN by OEKO-TEX).
- **Cotton supply chains traced** back to origin; cotton fibre sourcing banned from regions with high-risk/poor social practices without evidence of independently assessed cotton farming/production against approved standards.
- Responsible cotton target in **Directors' LTIP** and **sustainability-linked RCF**.



Cotton

- Highest-volume raw material
- Strong textile heritage (c. 50% volume)
- Complex supply chains
- Environmental and ethical impact



More responsibly sourced cotton

- Only cotton supply chains which meet 'preferred' standard eligible to carry logo
- Policy available on corporate.dunelm.com

Timber

- **All timber suppliers** must provide full, transparent documentation to prove legal sourcing.
- Policy requires each **timber supply chain to be assessed at least once a year**, or more frequently if the structure of the supply chain changes. An independent team of experts collects, reviews and risk assesses all suppliers.
- **Dunelm branded product suppliers** must work towards higher 'preferred' or 'More Responsibly Sourced' standard set out in Responsible Timber Policy.
- To meet the 'preferred' standard, timber used must either be certified to a **recognised third-party timber programme**, such as Forest Stewardship Council (FSC) or Programme for Endorsement of Forest Certification (PEFC), or supply chain must in a country with a low inherent risk rating.



Timber

- Second highest-volume raw material
- High-profile environmental focus

More responsibly sourced timber

- At year end FY21 c.10% of timber supply chains qualified as being 'more responsibly sourced'.
- Target to reach 50% by 2025
- Policy available on corporate.dunelm.com

Plastics and packaging

- **Plastics and Packaging Policy** and six related targets published April 2021, focusing on: less packaging, better packaging, and closed loop packaging.
- Updated **Sustainable Packaging Manual** issued to suppliers to align packaging standards to legislation affecting plastic packaging from April 2022 (Extended Producer Responsibility tax).
- Initial **focus on high-volume areas**, e.g. customer packaging (bedding and blinds) and transit packaging (mailing bags, sheeting and air cushions).
- Reducing bag sizes and film thickness; using **higher percentage of recycled or certified content** and materials that are **easier to recycle**.
- Ultimate aim to implement **fully closed** packaging loop.
- Packaging target: **Directors' LTIP** and **sustainability-linked RCF criterion**.



New bedding packaging

- Reduced micron thickness removed 14 tonnes of plastic
- 30% recycled content removes 68 tonnes of virgin plastic

Mailing bag

- Recycled content increased from 30% to 95%
- 68 tonnes of virgin plastic saved
- White background saves 70% solvent ink



Palm oil and animal-derived products

- Very few Dunelm products contain **palm oil**: Pausa food; fragrances used in candles and diffusers.
- Increasing **customer awareness** of palm oil's impact on environment/climate change; target of 100% of palm oil used in Dunelm own brand and Pausa products to be **certified by Roundtable on Sustainable Palm Oil (RSPO)**.
- Some materials in furniture, quilts, pillows and upholstery products come from animals e.g. **sheepskin, leather, down, feathers, wool and animal hair**; use alternatives if possible.
- Only use humanely sourced materials, which are a **by-product** of the food industry and from conventionally farmed animals as set out in **Animal Welfare Policy**.
- **No real fur may be used**; currently, only faux leather is used in Dunelm branded products.

RSPO certification

- At FY21 94% of palm oil used in Dunelm and Pausa products was RSPO-certified

Animal welfare policy

- Available on corporate.dunelm.com
- By-products used only
- Known high-risk countries banned



Pausa food and drink

- Making it easier for customers and colleagues to choose safe, **sustainable food and drink** in Pausa cafes.
- Pausa supply chain separate to other products; top focus on **food safety** and **food and drink labelling standards**.
- Increasingly providing **more environmental and ethical** information (online, on-pack and in-store).
- **Tuna** only caught by pole and line, or using Purse Seine netting; no GMO ingredients used; **free range eggs** and **no hydrogenated fats** by March 2022.
- Coffee and tea ranges are **Rainforest Alliance certified**; all hot drinks served in plant-based compostable cups; free **water refills** available.
- Developing **plant-based or gluten-free options** for all food and drink categories.



All Pausa cafes equipped with tablet-based app

- Clear allergen and nutritional information
- Also provided on pre-packaged products
- 'Live' info



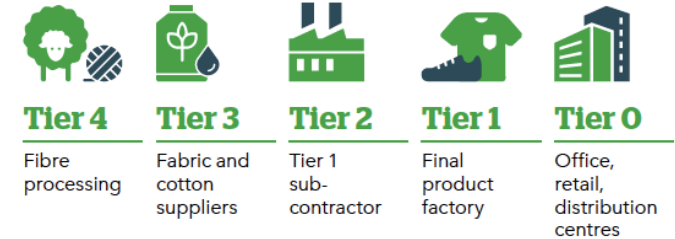
Free water refills

- Available in Pausa cafes
- Reducing single-use plastics

Ethical standards, human rights and anti-slavery

- Suppliers must provide safe, legal working conditions for people who work for them; **no exploitation tolerated**.
- **All suppliers sign up to Ethical Code of Conduct** (aligned to international labour standards, with enhanced section on Modern Day Slavery).
- **Audit own brand suppliers** for compliance with Code; engage in continuous improvement; take action to rectify non-compliance; delist if supply chain integrity compromised.
- **Tier 1 own brand suppliers** must provide low-to medium-risk graded ethical audit (< two years old) and valid building and fire safety certificate.
- **Ethical audit programme expanded** to cover warehouses stocking Dunelm branded product and selected Tier 2 sites.
- Use **third-party expert** to assess, grade and monitor social and ethical supply chain performance.

Supply chain tiers



ETHICAL CODE OF CONDUCT POLICY: SUMMARY OF TOPICS COVERED

Child labour
Employment is freely chosen
Hours of work
Wages and benefits
Freedom of association
Discrimination
No harsh or inhumane treatment is allowed
Regular employment is provided
Health and safety
Environmental requirements
Agency labour
Audits
Supplier compliance
Sub-contractors
Whistleblowing

Community

Colleagues - feeling at home wherever you work

- Fair employment and reward
- Inclusion and diversity
- Engagement and development
- H&S, wellbeing and security

Caring about our communities

- Enhanced community engagement

Acting legally, fairly and honestly

- Shared values, culture and core policies
- Modern slavery
- Tax and supplier payments



Feeling at home wherever you work

Our colleagues

We believe that a great place to work is a great place to shop. We can only deliver brilliant products, services and customer experiences through the hard work and commitment of engaged colleagues.

People Strategy: Creating a better experience for our colleagues



Fair employment and reward

- Colleagues expect us to **pay and incentivise** them **fairly**.
- **Apply same pay principles** throughout the organisation from Board down, aiming for base pay to be competitive and set at median.
- **All colleagues paid at least National Living Wage/Minimum Wage**, as set by UK Government; additional benefits include pension, discounts, paid birthday day-off; sharesave scheme open to all eligible employees.
- Through National Colleague Voice (NCV) employee forum, **colleagues discuss fair reward and Board pay** with Board members each year.
- **Gender pay gap metrics** presented to Board and used to inform decisions during pay reviews; gender pay gap measures improving; aim is to reduce further.
- To date, no evidence of any significant **ethnicity pay gap**; ongoing monitoring.



Marion Sears

- Designated Non-Executive Director for colleague matters
- Regularly attends NCV meetings

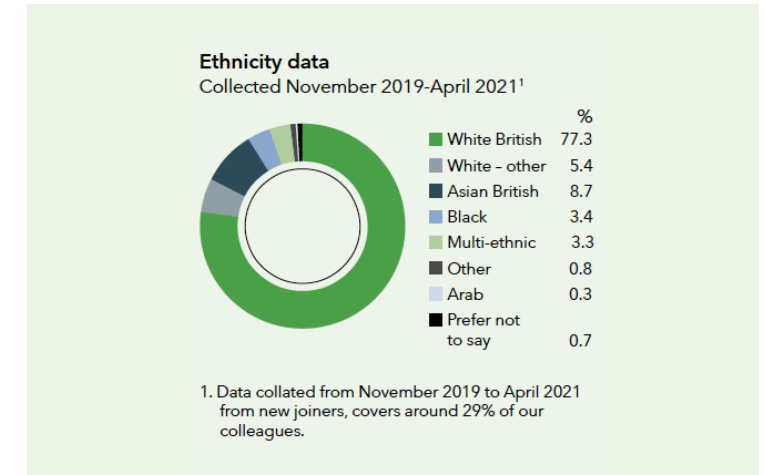


Retail gender pay challenge

- 80% of colleagues employed in stores
- Over 70% of these roles filled by female colleagues
- High proportion of part-time, flexible working

Inclusive and diverse

- Aspire to achieving **colleague base reflective of society at all levels**, providing opportunity for all, regardless of background, gender, sexual orientation, disability or age.
- Launched **'This is me' campaign**; trialled first colleague census and established four networks: Gender, LGBT+, Disability and Ethnicity, each sponsored by senior leader.
- **Raising awareness** across Group; in FY21 over 300 leaders trained; Board discussed Black Lives Matter, social mobility and LGBTQ+; around 800 line managers to be trained in conscious inclusion and set personal objectives in FY22.
- New joiner **ethnicity data** collected since November 2019; data broadly mirrors UK national/regional profiles; opportunity to improve at senior management and Board levels.
- **Gender and age data** also monitored.



Gender breakdown as at 26 June 2021

	Male	Female	Male, %	Female, %
Group Board	6	3	67%	33%
Executive Board	4	5	45%	55%
Dunelm Leadership Team (including Executive Board members)	15	9	62%	38%
Store colleagues	2,301	6,673	26%	74%
All colleagues	3,520	7,564	32%	68%

Engagement and development

- Twice-yearly **colleague survey**; in FY21 overall colleague engagement (eNPS) score improved by 1.0%pts.
- Over **70% of store colleagues** would recommend working at Dunelm to a friend; c.90% of colleagues expected to remain with Dunelm in FY22.
- Colleagues more engaged if feel **personally connected** to Dunelm business with access to **learning and development** opportunities.
- **Compliance training** improves colleague understanding of responsibilities and **expected behaviours**.
- **Skills training** provides personal development opportunities that meet **long-term business needs**.
- Graduate, internship and apprenticeship programmes also focus on areas important to **long-term business growth** leading to **relevant career opportunities**.



Colleague opportunities

- 85% of store leadership roles filled internally
- 40% of support roles filled internally
- External expertise required for new/specialised areas: technology, data, sustainability

Colleague survey analysis

What resonates with colleagues

- Purpose
- Shared values
- Confidence in leadership

What disengages them

- Perceived unfairness
- Feeling unsafe or ill-equipped to contribute to overall success

H&S, wellbeing and security

- **Group-wide H&S focus** with Board responsible for policy and procedures; Board/Executive Board agenda item.
- Ongoing focus on **customer, colleague and visitor safety** as Covid-19 rules change for in-store and delivery services.
- **Personal security** of store colleagues; body-worn cameras, radio assistance system and bespoke training.
- High importance placed on **mental wellbeing**; ongoing colleague training and access to information; 'Wellbeing Buddies' (mental health first aiders) trained to recommend further support.
- Increased **awareness of data security/privacy**; colleagues trained on induction, with annual refresher; more detailed training for leadership team and relevant functional teams.
- Updated customer **Data Privacy Policy** explains why/how data is used and protected, rights and 'opt out' protocols.

Safe to shop

- In store, Click & Collect, 'to car' and home delivery
- Food safety and labelling
- Online: customer data privacy protection



Safe to work

- H&S protocols, personal security protection
- Mental health and wellbeing training and support
- Additional resources
- Colleague data protection training



Safe to supply

- H&S criteria embedded into supply chain audits and policies



Enhanced community engagement

- **Store Facebook groups** set up to support local initiatives, vulnerable individuals and to understand local sentiment during Covid-19 crisis.
- Realised potential to use social media to develop more **meaningful connections** with local communities.
- Actively strengthened 175 Facebook groups - one for every store; by FY21 **>700,000 Facebook followers**.
- Selected **Pausa cafes** opened in the evenings to local community groups and as safe spaces; also promote local businesses.
- Reinvigorate **colleague volunteering** post lockdown (annual paid day off for charity support/volunteering).
- **Mind chosen as corporate charity** (two-year cycle); store link ups and fundraising initiatives.



Shared values, culture and core policies

- Committed to acting legally, fairly and honestly in all business dealings and relationships, underpinned by **shared values and culture**.
- Public and internal **policies and procedures** updated regularly and backed by training, e.g.
- **Code of Business Conduct** summarises specific standards of conduct that Board and colleagues are expected to meet.
- **Ethical Code of Conduct** (for suppliers and partners) and **Colleague Code of Conduct** cover, among others, human rights, labour standards, discrimination and H&S.
- Procedures to comply with **Bribery Act 2011** set out in **Anti-Corruption and Anti-Bribery Policy**; mandatory online training for colleagues in support sites, manufacturing sites and customer contact centres; relevant personal training.

Shared values

Our shared values describe how all colleagues in the Company are expected to act and influence our culture. Our Board and senior leadership team role model our shared values which have evolved over time from the business principles formulated over a decade ago, and continue to encapsulate the values of our founders, the Adderley family.

Act Like Owners

Keep Listening & Learning

Long-term Thinking

Stronger Together

Modern slavery

- Approach to **combatting modern slavery** within own operations managed by dedicated team led by Company Secretary; aim to limit and where possible eliminate use of agency workers, which is the highest risk.
- Board approves annual **Slavery Trafficking statement** and policy/performance on ethical trading and modern slavery.
- Controls to identify and eradicate modern slavery through our product supply chain are maintained through the audit activity against our **Ethical Code of Conduct** (see slide 18).
- All colleagues and suppliers can report potential wrongdoing via '**Speak Up**' programme, run by an independent third party.
- **Whistleblowing reports** sent directly to H&S Manager and Company Secretary who track cases through to resolution.



'Speak up' whistleblowing helpline

- For colleagues and workers on premises, and suppliers
- Anonymous
- Run independently

Tax and supplier payments

- Committed to full compliance with all statutory obligations and **full disclosure** to tax authorities.
- Do **not operate** in tax havens nor use tax avoidance schemes. In FY21, our total tax contributions were £157.8m.
- Further information in **Group Tax Strategy** on corporate.dunelm.com.
- Aim to deal with our **suppliers in an open and honest way**; require all suppliers to sign our standard terms and conditions in advance of commencing trade.
- As a large business, twice-yearly **supplier payment performance** is public domain information.
- Average time taken to pay suppliers in the period (FY21) was 45 days (FY20: 46 days), and we consistently paid 99% of our invoices within agreed terms (FY20: 98%).

OUR TAX STRATEGY

	2021 £m	2020 £m
Total tax contributions		
Net VAT collected ³	83.3	80.0
Payroll taxes including National Insurance ⁴	39.0	36.4
Corporation tax	35.5	34.3
Total tax contributions	157.8	150.7



Supported suppliers through Covid-19

- Ongoing payments (unless deferred by prior agreement)
- Replenishment orders placed ASAP
- H&S and banking advice



Appendix



Plan on a Page

Our plan to become our Customers' 1st choice for home

OUR PURPOSE



To help create the joy
of truly feeling at home.
Now and for the
generations to come.



Truly feeling at home is one of the greatest joys in life. We want to help find ways to make every day home life better for our customers. To bring more contentment, comfort, belonging, fun and laugh out loud joy to people's homes. And to do it in a way where everyone feels included, and we make good long-term decisions which value our environment and future relationships

OUR AMBITIONS



Ambitious about our brand

Grow as the #1 destination for home, loved by more customers shopping more frequently. Measures include: active customers, frequency, NPS, fast & friendly, perfect order rate.

Ambitious about being a good company

A great place to work - making a positive social impact and operating sustainably in all of our communities. Measures include: carbon reduction, less throwaway, colleague engagement.

Ambitious about profitable growth

Focusing on quality of growth and long-term value creation by using our resources wisely and efficiently. Measures include: long term profit growth, cost efficiency.

Plan on a Page

OUR PROPOSITION AND FOCUS AREAS

Products

that are great value, with choice, style, quality & sustainability

Services

that help from inspiration to delivery, fitting and take-back

Experiences

that are seamless physical & digital, helpful and friendly



OUR FOUNDATIONS



OUR SHARED VALUES



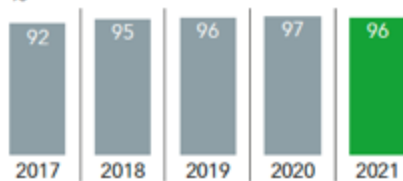
Carbon reduction

Metrics and targets

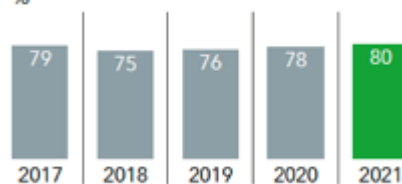
	Carbon intensity	Scope 1 commitment (direct emissions in operations)			Scope 2 commitment (purchased energy)		Scope 3 emissions	Operational waste	
Metric	tCO ₂ e/£1m Group revenue (Scopes 1)	Scope 1 (direct emissions in operations)	Natural gas emissions	Company car fleet emissions	Like-for-like electricity consumption	Purchase 100% renewable electricity.	Absolute emissions	Diversion from landfill for all operational waste	Operational waste recycled
Target	Reduce year on year in line with 2030 target	Reduce emissions by 50% in absolute terms by FY30 (using FY19 as a baseline).	8% decrease in FY22 (using FY19 as a baseline).	Reduce by 2% each year to FY25	Maintain at or below FY19 levels	Maintain at 100%	Reduce by 50% by FY30 (using FY19 as a baseline)	98% in FY22	80% over the medium term
Performance FY21	FY21 11.8 tCO ₂ e/£1m (FY20: 14.8 tCO ₂ e/£1m)	New	New	Reduced by 33%	Reduced by 15% in FY21 v FY19	97%	New	96% (FY20: 97%)	80% (FY20: 78%)

Performance to FY21

Diversion from landfill %



Operational waste recycled %



ABSOLUTE GHG EMISSIONS FROM OUR OWN OPERATIONS, CO₂E TONNES

	FY19		FY21
	Location-based	Location-based	Market-based
Scope 1	7,260	7,936	7,936
Scope 2	11,002	7,866	245
Total	18,262	15,802	8,181

Note: FY21 emissions are compared against our FY19 baseline emissions level. Market-based Scope 2 emissions reflect the purchase of REGO-qualifying electricity. Our SECR disclosure and further commentary on our GHG emissions can be found on page 176.

Circular economy

Metrics and targets

	Take-back	Plastics and packaging					
Metric	Own brand products for which we offer an easy-to-use take-back service	Own brand plastic packaging	Recycled content in own brand plastic packaging	Own brand cardboard packaging	Own brand packaging.	Plastic packaging take-back scheme by FY25	Full-closed packaging loop, reproducing Dunelm packaging
Target	50% by 2024	Reduce by 10% by FY22 and by 20% by FY24.	To contain average 30% recycled content by FY22 and 50% by FY25	To be from 100% sustainable sources by FY25	To be 100% recyclable by FY25	Launch by FY25	In place by FY30
Performance FY21	New	New	New	n/a	n/a	New	New
Policies		Plastics and Packaging Policy					
	Responsible sourcing						
	Cotton	Timber		Palm oil	Ethical assessment		
Metric	Own brand cotton products to meeting our 'More Responsibly Sourced Cotton' standard	Timber from legally harvested sources	Timber products used in Dunelm own brand product to meet our 'More Responsibly Sourced Timber' standard	Dunelm and Pausa own brand products that contain palm oil	Tier 1 factory base for own brand products with audit no more than two years old.	Low- or medium-risk audits	
Target	80% by FY24 and 100% by FY25	100%	50% by FY25	100% sustainably sourced (RSPO).	100%	90%	
Performance FY21	6%	86%	10%	94%	89%	n/d	
Related policies	Responsible Cotton Policy	Responsible Timber Policy			Ethical Code of Conduct, Responsible Slavery and Human Trafficking Statement		

Community

Metrics and targets

	Customers	Colleagues	Store communities	Health and safety	Anti-bribery, Anti-fraud and Tax evasion
Metric	Unique active customer growth Net promoter score (NPS)	Colleague engagement score (eNPS)	Group and colleagues' fundraising and Group cash charity contributions	Number of reportable accidents (under RIDDOR)	Targeted training completed relating to anti-bribery, anti-fraud and tax evasion.
Target	Year on year growth	Improve year on year	Exceed previous year	Reduce each year	100%
Performance FY21	Active customer base +8.5% Net promoter score + 4.2%	eNPS +1%	£580k (FY20: £638k)	27 (FY20: 31)	77% (FY20: 94%)
Related policies	Privacy policy	Equality and Diversity Policy, Whistleblowing Policy, Slavery and Human Trafficking Statement, Colleague Code of Conduct		Health & Safety Policy Statement	Anti-Corruption and Anti-Bribery Policy, Code of Business Conduct, Group Tax Strategy

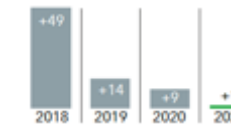
Performance to FY21

Unique active customer growth¹
%pts growth
+8.5%

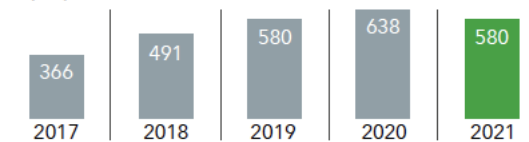
Net promoter score (NPS)
Year-on-year improvement %pts
+4.2%pts



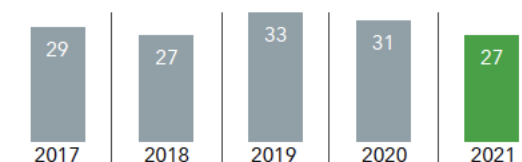
Employee net promoter score (eNPS)
Year-on-year improvement %pts
+1.0%pts



Group and colleagues fundraising and Group cash charity contributions (£k)



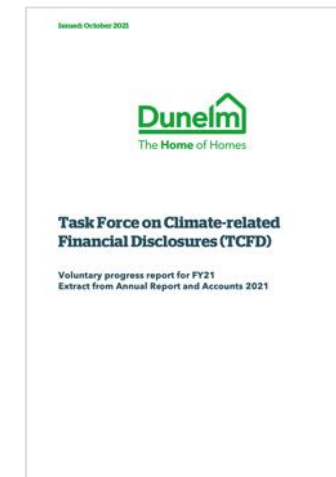
Number of reportable accidents under RIDDOR¹



1. Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013 (RIDDOR).

Further reading

- **Sustainability homepage**
<https://corporate.dunelm.com/sustainability/>
- **FY21 Annual Report and Accounts**
<https://corporate.dunelm.com/media/2990/dunelm-ar21.pdf>
- **Policies and statements**
<https://corporate.dunelm.com/about-us/policies-and-statements/>
- **2021 ESG datasheet**
https://corporate.dunelm.com/media/3019/dunelm-esg-data-sheet_oct21.pdf
- **Commitments**
<https://corporate.dunelm.com/about-us/commitments/>
- **Gender pay report**
<https://corporate.dunelm.com/media/2935/gpg-2021.pdf>
- **TCFD progress report**
https://corporate.dunelm.com/media/3080/dunar21_tcf_d_extract_oct21.pdf



Thank you



The Home of Homes