



Responsibility and Sustainability Report

1st February 2021 – 31st January 2022





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CEO foreword



Neil Anderson, CEO

I am pleased to present the first Silentnight Sustainability and Responsibility report. Although this is our first report, we've been making great strides across the environmental, social and governance strands of the business for some time. Presenting it together in a report for the first time not only highlights our achievements so far, it also sets out defined targets for improvement so we continue with our position as the UK's most trusted sleep brand.

As a responsible business, we aim to be transparent and accountable in our actions. We work to defined and measurable targets and will continue to report on an annual basis to share our journey with our stakeholders. By working with external partners, we will use sector-specific expertise to make the best decisions for a more sustainable future.

I am extremely proud of all the Silentnight employees who work hard every day to design, test, produce and sell quality products for our customers. Every person that works at Silentnight plays an important role in building our business and achieving our commitment to be the UK's most trusted sleep brand. Like most businesses, the last 2 years have thrown us some unprecedented challenges, with the disruption caused by the COVID-19 pandemic and ongoing difficulties across supply chains. These issues have required us to collaborate, innovate and refocus our goals, and our employees have shown resilience and commitment regardless of the challenges. In this report, we have described the plans to invest in our people, ensure we are providing the right support, and develop an open and inclusive culture.

As we look to the future, we will continue to lead and challenge our sector to make better sustainability and ethical choices. This is an extremely important focus for us. We have made a commitment to the Climate Pledge to achieve Net Zero by 2040, which is 10 years ahead of the Paris Agreement. If we can do it, then it paves the way for other manufacturers to learn and take progressive action.

Silentnight was established in 1946 and since then we have been dedicated to delivering the best for our customers. We know our customers are making more conscious choices to support brands that are focused on high ethical standards, and they want durable quality products that don't damage the environment. We are fully committed to meeting these aspirations and this report defines our approach to achieve this.

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Responsibility and sustainability objectives

At Silentnight we know that focussing on responsibility and sustainability is a continuous improvement journey. As with all companies, we are right to start scrutinizing ourselves and our position in society. We have been making strides to improve our environmental performance in recent years, and now we are aligning our corporate strategy with social and ethical improvements as well. To achieve our goals in this area we need to embed our responsibility and sustainability commitments through our people and our actions. To help define our strategy we have focussed our objectives across three key areas.



Protecting the Planet	Building trust	People and communities
Net zero pledge	Customers	Employees
Fleet efficiency	Product safety	Health and wellbeing
Water	Knowledge transfer partnership	Diversity, equity and inclusion
Waste management	Health and safety	Community partnerships
Responsible sourcing	Supply chain	
	Modern slavery	
	Corporate governance	

We are accountable to all of our stakeholders – our customers, employees, suppliers and the communities in which we operate. Maintaining and further enhancing the trust we have built is key. We will ensure we measure and accurately report on all our activities. We will share our successes, and equally, we will report when we have setbacks for the benefit of others to learn and to remain transparent.



Key principles we are using to guide us on this journey are as follows:

Transparency

We will ensure that we remain accountable to all our stakeholders, sharing progress and challenges in reaching our targets.

Measuring & verification

Using external verified benchmarks we will ensure we are reporting on accurate and evidence-based achievements.

Collaboration

Only by working together and sharing ideas, with all stakeholder groups, can we achieve our aims.

Learning

As our responsibility and sustainability improvement process is a journey, we continue to learn, remain inquisitive and seek to understand what best practice is and what has the highest positive impact.

Protecting the planet:

“In 2021 we signed up to the Climate Pledge, committing to reach net zero carbon emissions by 2040”





Protecting the planet:

Climate change is one of the biggest issues facing society today and we fully recognise the urgency to take action and our responsibility in this regard. Greenhouse gases, measured in tonnes of carbon dioxide equivalent (tCO₂e) is the leading cause of global warming and a key focus for governments, businesses and individuals alike.

In the last 4 years we made some great steps in reducing our carbon footprint, through managing our transport fleet and changing to renewable energy contracts. These constructive initiatives have resulted in a 49% decrease in our operational carbon emissions – but we can't stop there. To continue on this path, we are assessing the carbon emissions across our entire value chain spanning upstream and downstream activities, taking decisive actions to reduce emissions where we have control or influence.

Carbon reduction: Net zero pledge

In 2021 we signed up to the Climate Pledge, committing to reach net zero carbon emissions by 2040. This is ten years ahead of the Paris Agreement and at the time of writing this report, we are one of only 310 companies, and the first and only sleep brand, making this pledge. Not only does this demonstrate how seriously we take the issue of climate change, but it

also shows our ambitions to be leaders in our sector and proactively show what is possible in reducing carbon across our whole business operations.

We have committed to measure our carbon reduction activities in line with the Science-Based Targets initiative (SBTi). Science-based targets require a clearly defined pathway where companies map their programme to reduce their greenhouse gas (GHG) emissions. When a company submits their targets, they receive validation by the SBTi and must be tracked and reported on annually. Targets are considered 'science-based' if they are in line with what the latest climate science deems necessary to limit global warming to under 1.5°C.

Our target is to halve scope 1 and 2 emissions by 2030, and to reduce scope 3 emissions by 28% by 2030.

During 2021 we undertook a full examination of our Scope 3 emissions to create our submission for the Science Based Target initiative. We have been able to ascertain that 91% of our emissions sit in our Scope 3 operations. To achieve net zero, not only do we need to work hard internally to reduce our operational emissions, but we need to collaborate with our supply chain and other external partners to make a sizeable impact in reductions. In 2022 we will be producing our first net zero plan, and in this we are disclosing our targets and actions across our purchased materials, our product design and by pushing for innovation across our supply chain and the mattress industry.



Carbon emissions

In accordance with the GHG protocol Corporate Accounting and Reporting Standard,¹ we have calculated our Streamlined Energy and Carbon Reporting (SECR) for our 2021-22 financial year. Our carbon emissions are detailed below in comparison to our baseline year, which was set in FY 2019-20:

	Emissions source	Baseline data 2019-20 tCO ₂ e	Current reporting year 2021-22 tCO ₂ e	% Decrease from baseline
Scope 1	Diesel, Gas, Red Diesel, LPG, Company owned cars and heavy heating oil	3,230.3	2,919	8.9%
Scope 2	Electricity	771	675	9.29%
Scope 3	Business travel (category 6) and electricity transmission and distribution losses (category 3)	97.3	67.6	30.52%
Gross emissions total		4098.6	67.6	10.7%
Net emissions	(minus renewable electricity)		3011	

¹<https://ghgprotocol.org/sites/default/files/standards/ghg-protocol-revised.pdf>

Carbon reduction targets:

- Successfully receive independent validation of our carbon reduction targets by the Science Based Targets initiative (SBTi) to affirm our approach and timeline to achieve net zero by 2040.
- Investigate on-site renewable energy generation options at our manufacturing site to reduce our dependency on the energy coming from the centralised grid. The main manufacturing site is based in an old building, that is leased. We need to ensure any investment into onsite energy generation is achieved through positive collaboration with the owners.
- Install sub-meters – additional meters downstream of our main utility meter – to provide us with more granular energy consumption information and accurate monitoring of specific areas of the building, equipment, and the effectiveness of energy efficiency initiatives.
- Conduct an employee energy awareness review. The purpose of this is to re-educate employees on switching items off and conserving energy where possible. We will also produce energy guides for those that work from home.



“We have been able to transfer 95% of our lights to LED and insulate our main manufacturing site where possible, to prevent heat leakage.”

Carbon emissions (continued)

We are currently preparing our net zero report, due to be published in 2022, where we will disclose the full impact of our scope 3 emissions. In the meantime, we are regularly evaluating ways to improve energy management and reduce our consumption. We continue with building improvement projects to make our sites more energy efficient. We have been able to transfer 95% of our lights to LED and insulate our main manufacturing site where possible, to prevent heat leakage. We have also conducted a survey to evaluate electricity demand levels across our manufacturing site. As a consequence, we changed our operational procedures to turn off unnecessary equipment and only turn these on at set times during the manufacturing process.

We have 10 properties that we lease in our portfolio, our main manufacturing site is in Lancashire and we use an office in Manchester, the other sites are storage and small retail outlets across the UK. The electricity at 3 out of our 10 sites is from renewable electricity contracts, that includes our main manufacturing site which has the greatest level of consumption at 3,028,244.6 kWh in the last year. As contracts expire, we will be switching the remainder of our contracts to renewable energy.

Energy consumption at the Barnoldswick manufacturing site

	kWh	%
Gas	5,017,293	97% of total gas use
Electricity	3,028,244.6	95% of total electricity use





**You can sleep easy knowing that
we're working tirelessly to reduce
our impact on the environment**



A photograph of a family in a bedroom. A woman with red hair is sitting up in bed, looking towards a man who is lying on his back. The man is holding a young child in the air. The room features a large blue wardrobe, a wooden bedside table with a lamp, and a rug. In the bottom right corner, there is a white line-art icon of a hand with the index finger pointing up.

Building trust:
**“Our mission is to be
the most trusted sleep
brand”**



Building trust:

Our mission to be the most trusted sleep brand is achieved by a strong set of processes, and by setting first-class standards that are implemented by an engaged loyal group of employees, who put the customer first and work hard to uphold the highest ethical principles. By investing in all these factors, we have been able to deliver on our business and social goals.

Customers

Teams across the business work hard to ensure all our customers receive the highest levels of customer support. We know that customers want quality, durability and peace of mind when making a mattress or bed purchase. The Silentnight Guarantee has been designed to give reassurance and a clear method for customers to make a claim, in the unlikely event they need to. All our mattresses, beds and headboards come with a full manufacturer's guarantee. We also offer advice on how to care for products, how to wash the fabrics and ultimately prolong the life of the item.

It is important that we are connecting regularly with customers, responding to feedback and resolving issues as quickly as we can. We use direct feedback mechanisms like Trustpilot, SurveyMonkey and the services of external feedback companies to assess customer satisfaction.

We work to solve questions or concerns promptly and have a weekly performance report to keep track of recurring themes. We analyse this data with key internal departments including product development, supply chain and dispatch, so we can solve problems and optimize our service.



Product safety

We are proud to be an approved member of the British Furniture Manufacturers Association, that champions quality British manufacturing.

At Silentnight we put a great emphasis on product development, testing and quality assurance, so we bring our customers the best possible sleep products. Our commitment in this endeavour is evidenced by the investment in our own sleep laboratory at our manufacturing site in Lancashire.

Each year we maintain our ISO 9001 Quality Management System accreditation for our testing lab to certify that we have the appropriate systems and testing procedures in place. All our testing is done in a safe and controlled environment, so it is repeatable and reliable. We investigate durability, flammability, chemical safety, temperature control and cleanliness. We proudly do more testing than is required by British standards to ensure we leave no stone unturned. The results speak for themselves, our mattresses and products continue to win awards with consumer groups like Which? and Mother and Baby.

We are audited by SATRA on an annual basis. SATRA is the UK's biggest testing house for all products, to ensure products are safe to sell to customers. There are only 10 labs in the UK that are both SATRA and ISO 9001 accredited, like us.

