

PLEDGE TO NET ZERO – ANNUAL REPORT 2025

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Commitment to achieving Net Zero

Waterman Group has pledged to reduce its carbon emissions and reach Net Zero by 2050 in line with the requirements for keeping global temperature rise under 1.5°C.

To achieve this, we have set an interim target of an 80% reduction of Scope 1 and 2 emissions, and 50% reduction of Scope 3 emissions based on a 2019 baseline across our entire value chain by 2030.

Reporting Methodology

Emissions have been reported and recorded in accordance with the Greenhouse Gas (GHG) Protocol Corporate Standard applied to all Waterman Group’s UK and overseas operations using appropriate emission conversion factors for greenhouse gas reporting.

Scope 3 emissions have been reported in accordance with the Corporate Value Chain (Scope 3) Standard including estimates of all material emission categories for the Waterman Group business as follows:

Category 1: Purchased goods and services (spend-based estimate). **Category 2:** Capital goods (spend-based estimate) **Category 3:** Fuel- and energy-related activities (not included in scope 1 or scope 2) (fuel consumption) **Category 4:** Upstream transportation and distribution (spend-based estimate) **Category 5:** Waste generated in operations (spend-based estimate). **Category 6:** Business travel (mileage where possible with additional spend-based estimates). **Category 7:** Employee commuting (and homeworking emissions) (occupancy / best practice estimates).

Baseline Emissions Footprint

Baseline Year: 2019	
Baseline year emissions	
Emissions	Total (tCO₂e)
Scope 1	274.6
Scope 2 (Location-based)	371.7
Scope 3	
Category 1: Purchased goods and services	4,713.7
Category 2: Capital goods	396.3
Category 3: Fuel- and energy-related activities (not included in scope 1 or scope 2)	63.5
Category 4: Upstream transportation and distribution	7.8
Category 5: Waste generated in operations	35.2
Category 6: Business travel	1,113.3
Category 7: Employee commuting	1,413.8
Category 7: Homeworking (optional)	8.7
Total Scope 3	7,752.3
Total Emissions	8,398.6

Current Emissions Reporting

Reporting Year: 2024	
Emissions	Total (tCO ₂ e)
Scope 1	107.6
Scope 2 (Location-based)	242.6
Scope 3	
Category 1: Purchased goods and services	5,487.5
Category 2: Capital goods	73.5
Category 3: Fuel- and energy-related activities (not included in scope 1 or scope 2)	55.3
Category 4: Upstream transportation and distribution	5.1
Category 5: Waste generated in operations	37.7
Category 6: Business travel	688.0
Category 7: Employee commuting	795.4
Category 7: Homeworking (optional)	573.1
Total Scope 3	7,715.6
Total Emissions	8,065.8

Carbon Reduction Progress

For the reporting year 2024, we have achieved a Scope 1 carbon emissions reduction of 167.0 tCO₂e (61%) against the baseline, a Scope 2 emissions reduction of 129.1 tCO₂e (35%) against the baseline, and a Scope 3 emissions reduction of 36.7 tCO₂e (<1%) against the baseline, giving an overall reduction of 332.8 tCO₂e (4%) against the baseline.

The most significant driver in the overall reduction from the baseline year is a reduction in travel-related emissions due to implementation of flexible working practices. Business travel (Category 6) emissions reduced by 425.3 tCO₂e (38%) and Employee commuting (Category 7) reduced by 618.4 tCO₂e (44%), although Homeworking emissions (Category 7) increased significantly, by 564.4 tCO₂e from an immaterial level in the baseline year.

Total emissions across Scope 3 Categories 1 and 2 increased, by a combined 451.0 tCO₂e (9%).

An overall reduction in Scope 3 emissions is pleasing and indicates some decoupling from business growth (Group revenue grew by 28% in the same period). However, as a result of significant increases in operational costs across the supply chain, emissions from Purchased goods and services (Category 1) increased by 773.8 tCO₂e (16%). Given that we currently estimate these emissions using a spend-based method rather than supplier-specific data, this increase is not surprising but may not accurately represent the true position of our carbon footprint and emission reduction efforts.

Given the limitations in our current method and in order to better reflect the impact of the initiatives listed below, we have begun recalculating our base year emissions and subsequent progress. We expect this to result in a reduced and more accurate estimate of Scope 3 emissions as a result of our direct engagement with suppliers and refinement of the data used.

Future Carbon Management Initiatives

The following environmental management measures and projects have been initiated since the 2019 baseline and will be ongoing throughout the future reporting period.

- We have had our targets validated by the Science Based Targets initiative (SBTi) and will continue to disclose our progress against those targets in line with SBTi requirements.
- We have begun engaging with our supply chain to develop a more accurate measure of emissions to include direct data from suppliers and encourage them to set their own carbon reduction targets.
- Where possible we will continue to switch our electricity to an approved green energy supplier.
- We are reducing emissions from our annual business travel through the use of online meetings and development of Net Zero travel policies.
- We are empowering flexible working patterns to reduce overall emissions from employee commuting and home working.
- We have launched a salary sacrifice car lease scheme to support employees in choosing low- or zero-emission vehicles.
- Where gas is an integral part of the current energy supply to a leased office, we have fitted new condensing boilers which have reduced gas usage through increased efficiency as well as improved controls and fittings.
- When we move to new rented premises, we ensure that energy performance is fundamental to our decision-making, targeting offices with an energy performance rating of B or above.
- In December 2025, we entered into a new Head Office lease in Net Zero Carbon premises (both operational and embodied).
- Initial 50% reduction in natural gas use (achieved) and eventual phase out.
- Transition company car and grey fleet towards electric vehicles.
- We have invested in new carbon reporting software to support better and more accurate assessment and facilitate the next step in our carbon reduction journey.

In the future we hope to implement further measures such as:

- Transition to 100% renewable electricity and increase energy efficiency measures across entire office estate.
- Continuing reduction of business mileage and encouragement of low carbon transport options for business travel and employee commuting.

Signed on behalf of Waterman Group:



Alex Steele
Chief Financial Officer
Waterman Group Plc