ESG Committee Report continued

Task Force on Climate-related Financial Disclosures ("TCFD") and non-financial and sustainability information statement

This is our fourth year of reporting climate-related disclosures, in line with the TCFD recommendations and in recognition of The Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022.

The TCFD disclosures also address section 414CB (2A) Companies Act requirements in relation to climate-related disclosures. Adherence to the relevant parts of these requirements is set out on page 43. The Group has continued to use the TCFD framework to structure our reporting in this area to ensure consistency with previous years, however we will continue to map our TCFD disclosures to the relevant sections of the Companies Act framework.

Governance

The Board maintains overall responsibility and oversight of climate-related risks and opportunities, ensuring alignment with Group vision and direction. However, to ensure there is the appropriate strategic and operational focus on climate-related matters, a Board-level ESG Committee was established in 2023. This Committee is chaired by Lisa Fretwell, a Non-Executive Director, and attended by other Non-Executive and Executive Directors. Whilst this Committee covers all environmental, social and governance matters, it is acutely responsible for the oversight and challenge of our climate strategy; holding management to account for the execution of the strategy, ensuring our climate reporting meets regulatory requirements and ensuring that the Group's approach to climate-related risks and opportunities is balanced, measured and appropriate for our business.

Key climate-related agenda items for the ESG committee in 2024 have been:

- reviewing and challenging the overall climate-related strategy, including 2024 priorities and reporting requirements;
- reviewing and assessing 2024 progress and 2025 priorities for each focus area in the climate-related strategy;
- working with the Remuneration Committee to agree and implement climate-related incentivisations into the Executive Directors 2024 annual bonus targets;
- completing a deep dive into the Group's net zero commitments and ambitions, including the Group's fleet decarbonisation roadmap and soon-to-be published TPT Disclosure Framework aligned Net Zero Transition Plan; and
- receiving training from external sustainability specialists, covering the current climate and net zero landscape along with how the ESG Committee can best govern and support Restore's specific climate journey.

The Board and the ESG Committee are supported by the following management committees who carry out the day-to-day delivery of our climate commitments:

- **Risk Committee:** this committee, which is also chaired by Lisa Fretwell, supports in the oversight of climate-related risks, and the overall effectiveness of risk management arrangements. The climate-related risk register is reviewed as part of the enterprise-wide risk framework assessment every three months which enables management to incorporate ongoing refinement and quantification of risks. In the September Risk Committee meeting, there was also a deep dive into the overall environmental risk in the Group, including a review on the key risks which impact our climate strategy and how they are evolving.
- **Environmental Operational Committee ("EOC")**: this is a newly formed committee in 2024 and includes the CFO, Company Secretary and the sustainability leads of each of the BU's. The EOC meets every 2 months and its remit includes: driving the Group's net zero journey including the overview and monitoring of the Group's fleet and property decarbonisation roadmaps; monitoring of quarterly carbon reporting outputs; training and awareness; management of the Group's journey to reduce the amount of waste to landfill; and driving our environmental agenda through our value chain. This committee is supported by a Fleet Forum who are responsible for developing and implementing the fleet decarbonisation roadmap. This forum comprises each of the divisional Fleet Directors and sustainability specialists. The EOC is also supported by a Property Working Group which is responsible for the decarbonisation of our estate, waste initiatives and bio-diversity concerns.

In addition to the above committees, execution of our climate strategy is the also the responsibility of the MD's of each of our businesses. They have the task to deliver the strategy on a day-to-day basis; understanding the climate-related risks that impact their business whilst also harnessing the opportunities that climate-related matters can bring. They are supported by sustainability experts embedded into the businesses' leadership teams.

At an employee level, sustainability champions work on the achievement of our sustainability goals whilst all colleagues are responsible for adhering to the Group's strategy and Environment policy on a day-to-day basis.

The Board continues to ensure that there is appropriate climate-related expertise within the business and in 2025 will continue to build on this level of knowledge and understanding.

The Board and the ESG Committee understands that it is best practice to establish carbon-related incentivisation schemes to ensure that the climate commitments made are appropriately embedded within the culture of the organisation. This was implemented for the Executive Directors in 2024 with an absolute carbon reduction target representing a portion of their bonus for the year. For 2025 this will be cascaded down to additional senior management in the Group with the Remuneration Committee continuing to focus on how this can be further embedded within the Group's reward structure.

Risk management

The Group has considered all risk and opportunity categories outlined in the TCFD guidance, across all our operations and supply chains, to ensure that appropriate climate-related risks have been identified and analysed. These were identified and assessed over four time-horizons:

- **Immediate: 2025**
  Focuses on improving data quality, initial engagement with suppliers and initial execution of our operational strategies
- **Short-term: 2026 to 2027**
  In line with current strategic planning and considers expected capital expenditures
- **Medium-term: 2028 to 2039**
  Aligns to where we will mostly likely see changes to regulatory frameworks and technological developments and includes initiatives that build on our current actions and enable achievement of near-term targets.
- **Long-term: 2040 to 2050**
  Aligned to the UK Governments Net Zero pledge, it informs the longer-term aspects of our "Restoring our World" ESG strategy and includes initiatives that may require significant budget, structural or industry change, or technological innovation not yet available but which are facilitators of our net zero aspirations and achievement of long-term targets.

Climate-related risks and opportunities are identified, assessed, and managed as part of the existing enterprise-wide risk framework to determine their relative significance in relation to other Group risks. The enterprise-wide risk framework is reviewed by the Risk Committee quarterly and is signed off by the Board at least annually, with climate-related risks aggregated into a single environmental principal risk. This allows a Group-level view of climate risk but also helps to understand the specific threats and opportunities that the individual businesses face. Refer to pages 46 to 49 for more details on our enterprise-wide risk management processes.

Whilst the Board recognises that to achieve its strategic objectives, it must accept and manage a certain degree of risk, it has a low appetite for risks that have significant negative consequences such as climate-related risks. It aims to ensure that the Group either avoids those activities that may result in climate-related risks accelerating or eliminate the risks through applied and focused mitigation efforts.

Based on our enterprise-wide risk framework, our overall climate risk exposure is assessed to be moderate. The potential impact of the identified climate-related risks and opportunities is set out on pages 40 to 41 and whilst we do not expect them to drive a fundamental change to current business strategy (with regularly horizon scanning to ensure we are aware of any macro environmental changes), our risk appetite in this area will push us to continue to reduce our risk exposure.

ESG Committee Report continued

Strategy

Our sustainability strategy, "Restoring our World", was developed and published in November 2021 and identifies clearly defined targets which mitigate against climate-related risks and capitalise on climate-related opportunities. The strategy is reviewed annually with any material changes in regulations, social context, technology availability and the development of climate science being incorporated as necessary.

The strategy was derived through climate-related workshops undertaken across the business, supported by external consultants. We have reviewed the strategy in 2024 to ensure it remains pertinent and appropriate for the business and whilst we have made some changes to the wider sustainability strategy, the climate-related element of the strategy is in line with 2023.

In previous years, we analysed the impact of our climate-related risks and opportunities on our strategy using three scenarios:

1. **Net Zero 2050 (NZE)** – where actions limit the global temperatures rise to 1.5 °C by 2100, with 50% probability, included as it informs decarbonisation pathways used by SBTi.
2. **Stated policies (STEPS) –** outlines a combination of physical and transition impacts as temperatures rise by 2.6°C by 2100 from pre-industrial levels, with a 50% probability.
3. **RCP 8.5** – an extreme physical risk scenario, where mean global surface temperatures rise by c4.3°C by 2100 from pre-industrial levels as the global response to mitigating climate change is limited.

Although a comprehensive resilience assessment has not been performed to fully quantify the impact of these scenarios on the Group's strategy, we have assessed the directional impact of the likelihood and impact of these scenarios on the identified risks and opportunities to ensure we understand how climate change may affect our business, these are set out on pages 40 to 41.

Our climate-related risks and opportunities have also informed our strategy and financial planning as follows:

Operations

Our Scope 1 and 2 emissions are those that are emitted by our operations. We have a near-term target to reduce scope 1 and 2 emissions by 50% by 2030 and by 90% by 2035 using the initiatives set out below. We expect our ability to reduce emissions will increase year on year as global technology and infrastructure accelerates to meet demand, particularly in relation to our fleet. Our strategy within our operations is as follows:

- c90% of Scope 1 emissions are driven by our fleet so this is our core strategic operational focus area. Our strategy is as follows:
  - all company cars to be moved to EV/Hybrid from ICE vehicles – we are at 99% of our fleet at 31 December 2024 and expect this to be 100% in the short-term.
  - all forklift trucks to be moved to EV from LPG or diesel - we are currently at 89% and expect this to be 100% in the short-term.
  - Transitioning to an EV fleet for vans where it is reasonable and practicable to do so in terms of the range of the vehicles, the cost, and the ability to create the relevant infrastructure to support it. We have 9% electric vans currently and expect this to increase gradually over the medium and long term as technology and infrastructure advances appropriately.
  - Where we are not yet able to move towards an EV fleet, for example our HGV's and large shredding vehicles, we will invest in alternative fuels such as HVO as a transition fuel. We have our first HVO tank now in place at our Information Management site in Thurrock and are planning to roll out further tanks across our estate in the coming years, initially targeting the Datashred division who have the largest share of the Group's Scope 1 emissions.
- We have c19MW of electricity used in our estate, 94% of which is directly procured by Restore. As at 31 December 2024, we have now secured REGO backed contracts against all directly procured electricity. This comes at a premium of c£0.2m which the Group incurs annually but which allows us to report zero carbon emissions in relation to this consumption. For the remaining electricity which is landlord procured, we are engaging with each landlord to understand their net zero journey and plans to "greenify" their electricity supply. Approximately one-third of this landlord-procured electricity is also now backed by REGO contracts and for the rest we will continue to engage with the landlords to understand their future plans when the current contracts expire.
- We are currently unable to purchase equivalent "green" gas contracts due to cost so our focus on this area will be to reduce consumption of gas. Three of our sites consume over half of our gas so we will immediately focus on these sites to understand levers we can use to reduce consumption.

Value chain

We have already embedded several activities into our strategy in relation to our value chain:

- A significant portion of our customer base are either public sector bodies or "blue-chip" private organisations who build net zero considerations into their BAU procurement decisions and expect us to contribute to their own net zero targets. Our strategy is to continue to increase the proportion of these types of customers to ensure that we have a quality customer base who we can work with on our net zero journey.
- We have developed and externally published a new supplier code of conduct and our strategy is to only work with those suppliers who are comfortable signing up to this code of conduct. This supplier code of conduct includes several environmental areas including environmental responsibility, resource efficiency and waste minimisation, pollution and emissions reduction, and environmental reporting.
- One of our interim net zero targets is to ensure that by 2030, suppliers covering 70% of emissions from purchased goods and services have set net zero targets aligned with a 1.5c pathway. We anticipate starting the due diligence on this process in 2025 with the aim of engaging with our top 100 suppliers by spend and emissions by the end of 2025 using a new 3rd-party risk management tool which the Group has invested in.

- We have recently quantified our full scope 3 baseline and key strategic considerations that have been highlighted from this include:
  - c66% of our overall footprint comes from "use of sold products" and this is entirely related to our Technology division who sell on laptops, hard drives and other computer equipment. Whilst this number will naturally reduce as the national grid of the countries we sell into becomes more renewable, we will also continue to assess the products we sell and the markets we sell into to drive a reduction in these emissions;
  - c3% of our carbon emissions relate to employee commuting which is higher than many companies of our size, this is not unexpected as most of our sites are out of town and therefore there is limited public transport available to service these sites but we will look at potential initiatives we can implement to encourage lower car travel to site or a move towards employees having EV cars;
  - and finally c15% of our footprint relates to purchased goods and services, this will inform our strategy in terms of us assessing whether those suppliers with high emissions are vital for delivery of our strategy going forward or whether we can novate to lower emission generating suppliers/services.

Products and services

With the focus on sustainable development and mitigating climate change, the circular economy is expected to expand. We see specific opportunities in two divisions that can be pursued further to expand our revenue: Technology and Harrow Green, which both already offer circular economy services relating to the recycling of IT or office furniture.

We are also looking at how we deliver our services to our customers, particularly focusing on route optimisation and ensuring that our driving is efficient and safe. We are also engaging with our on-site shredding customers to encourage them to move to off-site shredding services where possible, which will generate significantly lower emissions.

Financial planning

The largest financial impacts from our climate strategy are as follows:

- The incremental operating cost of our fleet decarbonisation strategies for the immediate and short term is on average between £0.4-£0.5m per annum. This relates primarily to the current bio-fuel premium over diesel plus higher EV lease costs. Capital expenditure for the key fleet policies is also between £0.2m-£0.4m and represents the cost of the bio-fuel tanks and additional EV infrastructure. Given the uncertainty in the optimum future technology for our heavy-duty fleet, it is not practicable to quantify the financial impact it may have on the Group in the medium or long-term although we will keep this on our radar as technology and infrastructure develops.
- The premium for purchasing REGO backed electricity contracts is c£0.2m per annum. There is a risk that if the cost of REGO contracts increase such that they become prohibitive to buy, they may not long be able to form part of our decarbonisation strategy. To mitigate this risk we have recently entered into a three year flex-electricity contract with our electricity supplier that is backed by a REGO contract, therefore there is no short term risk of us being priced out of the REGO market
- We also continue to invest in both internal and external climate-related resource as required. We spend c£0.1m on third-party specialists each year to support our growing internal team and to ensure we are building our climate expertise.

These strategies will largely be funded through our working capital facility as the Group is cash generative and has good headroom in its current facilities. There are no material effects of climate-related matters reflected in judgements and estimates applied in our 2024 financial statements. We will, however, continue to monitor our climate-related risks and opportunities through our internal risk management framework and apply financial consideration as our business evolves.

Annual budget process

We have significantly enhanced our annual budget process during 2024, bringing into the main budget process a specific carbon budgeting exercise across the Group. The exercise included:

- a carbon roadmap for the Group and each division was developed, covering the period from 2024 to 2035. The roadmaps set out the anticipated trajectory of carbon emissions for each division based on their decarbonisation strategies and also included the short-term cost to achieve the reduction. The 2025 cost implications of the roadmaps are factored into the 2025 overall divisional budgets.
- through this exercise, our purpose was to:
  - confirm that our published net zero commitments are achievable;
  - foster buy-in from the divisions and establish ownership for the execution of their individual roadmaps;
  - understand the cost of our net zero journey and the trade-offs involved;
  - be able to set meaningful and accurate carbon reduction incentivisation targets; and
  - prepare the foundations for our SBTi submission.

The roadmaps covered scope 1, scope 2 and the elements of scope 3 that are annually verified (waste and business travel). They do not include the wider scope 3 emissions which have just been quantified. This process will be completed annually with the roadmaps reiterated as we move to the deployment and execution stage.

In time, we will build the remaining Scope 3 emissions into this process to ensure that we are driving reduction across our entire footprint, this will be once we have established a process to compile repeatable robust data and fully understand the strategic levers open to us to reduce these emissions.

ESG Committee Report continued

We have identified the following key climate-related risks and opportunities that could have a financial impact on the Group, we have highlighted the impacts most relevant to our sustainability strategy using the key below.

Risks

Time-period (Term)	Financial impact	Measurement used to track risk/opportunity	Divisions (most impacted)	Risk / opportunity rating				Directional impact of the scenarios identified on the risks/opportunities
				Negligible	Low	Moderate	High	

TCFD category: Transition (Technology)

Decarbonisation of fleet

- Medium-term
- £0.4m-£0.5m incremental costs per annum
- Scope 1 emissions
- All divisions
- High
- Neutral likelihood of risk occurring/ neutral impact on risk in scenarios

The Group's net zero pledge depends on the decarbonising of our vehicle fleet with emissions from vehicles making up c90% of our Scope 1 emissions. We believe that the long-term future technology for our fleet will be electric but the current state of EV technology and infrastructure in the UK is not sufficient for the Group to transfer to an all-electric fleet due to issues such as availability, battery range, charging infrastructure and cost. There is also an outside risk that the capital expenditure incurred could be written off in coming years if competing technology is developed, making EVs obsolete.

Given the significance of our fleet emissions, if we are not able to reduce these as planned and as predicted in our net zero journey, we are likely to suffer reputational damage from missing targets. This is more acute for Restore as a significant portion of our customer base are either public sector bodies or "blue-chip" private organisations who build net zero considerations into their BAU procurement decisions and who expect us to contribute to their net zero targets.

Our strategy to mitigate this risk is set out on page 38 to 39.

TCFD category: Transition (Emerging Regulation)

Carbon tax

- Medium-term
- Higher costs associated with energy prices and inbound purchases
- Costs
- All divisions
- Moderate
- Increased likelihood of risk occurring/ increased impact of risk on scenarios

Carbon tax risk emanates both from our own operations and from a levy of a tax through our supply chain. The Group currently does not use carbon pricing but views the implementation of operational carbon pricing as a possibility.

Our principal value chain emissions originate from our suppliers. As the Group's suppliers come under carbon pricing mechanisms, or carbon border adjustments, this could result in the supplier passing on the added cost from the carbon tax. We think the introduction of carbon pricing either within our operations our value chain would have a moderate risk to the Group however this assumes that carbon prices rise gradually; the risk to the Group would come from the dislocation caused by sudden short-term carbon price shocks, potentially resulting from regulation or market dynamics.

Through our annual emissions reduction targets and low-carbon strategy we feel we have mitigating activities in place to largely deal with a forecasted increase in carbon taxation.

REGO premium sustainability

- Medium-term
- £0.2m incremental costs per annum
- % of sites with REGO back contracts
- All divisions
- Moderate
- Neutral likelihood of risk occurring/ neutral impact of risk on scenarios

Restore directly procures 94% of their electricity with the remainder of their electricity being procured by landlords. All of the Group's directly procured electricity is now backed by REGO contracts with roughly one-third of the landlord procured electricity also being backed by REGO contracts. This approach to decarbonisation is a fundamental part of our net zero journey as it allows c18MW of electricity to have zero carbon emissions attached to it.

If the cost of the REGO premium increased significantly then these contracts may become cost prohibitive which would challenge our ability to meet our net zero commitments and ambitions. Given the significance of our consumption, if we are not able to continue to buy REGO contracts as predicted in our net zero journey, we are likely to suffer reputational damage from missing targets.

Our strategy to mitigate this risk is set out on page 38 to 39.

TCFD category: Physical (acute and chronic)

Flood and heat stress

- Long-term
- Lost/disrupted revenue
- % of sites in risk area
- Information Management
- Low
- Neutral likelihood of risk occurring/ neutral impact of risk on scenarios

Whilst our primarily UK operations and supply chain means that we are at lower risk of many acute physical risks i.e. hurricanes, wildfires, droughts, we are at risk of some chronic physical risks such as increased flooding and heat stress. Rising global temperatures may cause issues at some of our sites as many of our storage sites in the Information Management division are tall to provide optimal storage utilisation of customers documents. During periods of high temperatures, working conditions can become uncomfortable at the higher levels of the buildings and there are currently no temperature regulating systems at these sites. Excessively high working temperatures would require more breaks for employees, reducing efficiency or, in the extreme, expose employees to heat stress. In addition, periods of hot dry weather raise external fire risks. From the Group's perspective, the risk of fire itself is not significant however nearby fires can disrupt services and potentially impact revenue.

Information Management's storage units would be most at risk of the increasing flooding probabilities, due to increased rainfall. Certain operations may be at higher risk than others but through the WRI's Aqueduct Water Risk Atlas analysis none of the sites assessed are currently considered above a low-medium risk of flooding. However, flooding at our sites could disrupt the services we provide due to the sites having to be evacuated for safety concerns or damage to records or equipment from water ingress.

As part of our mitigation each division contains a business continuity management team which assess the protection and support of colleagues, critical operations, and infrastructure during emergencies and disasters, including man-made and weather-driven natural disasters. Our business continuity and disaster recovery plans are regularly tested and continually updated. Appropriate insurance policies are also in place. To mitigate the risk in relation to flooding, we will also continue to assess the suitability of current key sites and if there are any medium to long term flooding risks posed at these locations. Our property acquisition strategy will also look to avoid areas that could be susceptible to an increased risk of flooding. To date, there have been no incidents of water ingress or flooding and with our business continuity plans we believe we are well placed to deal with any increase in probability of flooding.

Opportunities

Time-period (Term)	Financial impact	Measurement used to track risk/opportunity	Divisions (most impacted)	Risk / opportunity rating				Directional impact of the scenarios identified on the risks/opportunities
				Negligible	Low	Moderate	High	

TCFD category: Products and services

Expansion of circular economy services

- Medium-term
- Increased sales
- Revenue
- Technology and Harrow Green
- Moderate
- Increased likelihood of risk occurring/ increased impact of risk on

With the focus on sustainable development and mitigating climate change, the circular economy is expected to expand. We see specific opportunities in two businesses that can be pursued further to expand our revenue: Technology and Harrow Green, which both already offer circular economy services relating to the recycling of IT or office furniture

TCFD category: Energy sources

Self-generation of electricity

- Medium-term
- Decreased costs
- Renewable energy sources
- All divisions
- Moderate
- Neutral likelihood of risk occurring/ neutral impact of risk on scenarios

The Group sees renewable energy contracts as a strong opportunity to reduce our emissions intensity with REGO backed contracts now in place against all directly procured electricity. Where electricity is landlord procured, we are engaging with each landlord to understand their net zero journey and how they can contribute to Restore's net zero ambitions.

The Group also has the potential to generate its own renewable energy. With the significant space across the estate there is an opportunity to install solar panels and develop solar arrays, subject to landlord consent. This offers an opportunity to become less dependent on the national grid, decarbonise quicker, reduce the Group's dependence on fossil fuels and in the medium-term lower its cost base and provide the opportunity to sell this energy back to the national grid.

TCFD category: Resource efficiency

Decarbonisation of fleet

- Medium-term
- Decreased costs
- % of fleet which are not ICE
- All divisions
- High
- Increased likelihood of risk occurring/ increased impact of risk on scenarios

The Group sees the chance to make its vehicle fleet more sustainable through electrification or other sustainable technologies also as an opportunity. The Group has already established a programme to rotate fleet towards new technology as noted on page 38. Transferring the fleet to low-carbon technology will provide the opportunity for the Group to reduce our emissions footprint, especially Scope 1 emissions from company owned vehicles and to ultimately reduce the cost of running the fleet.

EV chargers are currently installed at 22% of our sites, with plans to install a further network of electric charging points across the Group's property estate so journeys between sites will be made fossil fuel free.

Whilst this opportunity is significant, the pace at which it can be realised is interlinked with the technological advancement risk noted on page 40.

TCFD category: Transition (market)

Group's sustainability positioning

- Medium-term
- Increased revenue
- Revenue
- All divisions
- Moderate
- Increased likelihood of risk occurring/ increased impact of risk on scenarios

Stakeholders are increasingly incorporating climate change into key business decisions as the world transforms into a low carbon economy. Customers are also increasingly incorporating sustainability into their tenders (e.g. UK Government) and adding supplier carbon assessment as part of their everyday business.

Certain customers will have specific demands and criteria that are sustainability-linked which the Group can adhere to. Relative to our peers we believe we are very well placed in terms of sustainability governance, reporting and strategy. Our ESG strategy "Restoring our World" emphasises how even with more stringent sustainability regulation and standards we are in a good position to capitalise on sustainability initiatives, and our soon-to-be published TPT plan also sets out the tangible steps we will undertake to meet our goals and ambitions.

ESG Committee Report continued

Metrics and targets

The metrics and targets that the Group monitors are closely linked to our climate-related risks and opportunities. Our reporting includes Scopes 1, 2 and some Scope 3 greenhouse gas (GHG) emissions as well as energy consumption. The calculation of our carbon footprint is in line with the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard and is externally verified to a limited level of assurance using ISO 14064.

Other metrics that we track include (refer to page 26):

- Emissions intensity
- % of hybrid/EV company cars and total fleet
- % of sites which have electricity which is REGO-backed
- % of waste diverted from landfill

We believe that by monitoring these metrics, it will allow the Group to drive emissions reductions in line with our net zero target.

We will continue to develop our metrics throughout 2025 and will look to capture a number of the measurement metrics set out on pages 40 to 41, to enable them, in time, to be climate KPIs.

Our overall target is to be a net zero organisation by 2050, in line with the UK Government's commitment to be net zero by 2050. To meet this climate commitment, the Group has established interim targets for the near and medium-term – these are outlined in more detail on pages 30 to 34. By monitoring these metrics and targets, we can ensure that we are mitigating risk exposure.

We have completed several of the priorities we had in the place at the start of the year in relation to metrics and targets:

- We have increased the frequency of our carbon reporting, from annually to quarterly. This has allowed us track progress against our interim net zero targets.
- We have completed the quantification of our Scope 3 baseline including all emissions. Refer to page 32 for further details.
- We have invested in a 3rd-party risk management tool which will allow us to track the net zero commitments of our key suppliers and to work towards our net zero interim target of 70% of suppliers having science-based targets in place.

Our climate related priorities for 2025 include further objectives to enhance our metrics and targets in the near-term, these include:

- Developing an engagement plan for our top suppliers, using the 3rd-party risk management tool referred to above and will aim to have our top 100 suppliers engaged and assessed by the end of 2025.
- Developing a process to simplify the measurement of our full scope 3 baseline in order to ensure that this becomes an annual repeatable process that is sustainable to maintain.
- Developing further commitments in relation to diversion of waste from landfill and biodiversity to align with the focus of "Our Planet" strategy.

Climate-related framework compliance

Recommendation	Recommended disclosures	Response		Companies Act S414CB
Governance Disclose the organisation's governance around climate-related risks and opportunities	a) Describe the Board's oversight of climate-related risks and opportunities	The Board has overall responsibility for climate- related risks and opportunities with a Board-level ESG Committee also in place to help drive strategic and operational focus.	Page 36	a
	b) Describe management's role in assessing and managing climate-related risks and opportunities	The CEO oversees the operational delivery of climate-related activity in alignment with operational priorities. He is supported by the Risk Committee, the EOC and the divisional MD's.	Page 36	a
Strategy Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material	a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term	The Board has identified environmental risk as a principal risk as detailed on page 49, which is underpinned by specific climate-related risks and opportunities outlined within the Group's climate risk assessment.	Pages 37 to 41	d
	b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning	The Group recognises the impact that climate change may have on its strategy, operations and financial planning and is taking action to address the implications of climate-related risks across our business. The latest financial quantification of the key risks is on page 39. We have also identified the risk rating and directional impact of how the risks and opportunities respond to various scenarios.	Pages 37 to 42	e
	c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	Although a comprehensive resilience assessment has not been performed to fully quantify the impact of these scenarios on the Group's strategy we have assessed the directional impact of the likelihood and impact of these scenarios on the identified risks and opportunities to ensure we understand how climate change may affect our business	Pages 37 to 41	f
Risk management Disclose how the organisation identifies, assesses, and manages climate-related risks	a) Describe the organisation's processes for identifying and assessing climate-related risks	The Group's overall risk management approach captures Group-wide risks, including climate change. As risks are captured, an assessment in terms of the impact on the Group's strategy is undertaken, in addition to a likelihood vs impact assessment, which determines the significance of all risks.	Page 37	b
	b) Describe the organisation's processes for managing climate- related risks	Risk assessment, based on our agreed likelihood and impact criteria drives the prioritisation of mitigating action.	Page 37	b
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management	Climate-related risks and opportunities are identified, assessed and managed on the existing Group risk management framework.	Page 37	c
Metrics and targets Disclose the metrics and targets used to assess and manage relevant climate- related risks and opportunities where such information is material	a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	Metrics used to assess climate-related risks and opportunities are outlined on page 42.	Page 42	h
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	The Group reports Scope 1, 2 and some Scope 3 greenhouse gas (GHG) emissions as set out on page 35. We have also quantified our full Scope 3 baseline for 2023 as set out on page 32. We will repeat this exercise each year to track progress.	Page 42	h
	c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	The Group's journey to net zero is set out on pages 30 to 34 and includes near-term, medium-term and longer-term targets.	Page 42	g