ESG Committee Report

"We have made significant progress along our ESG journey in 2024 with a renewed clarity and direction driving us into 2025."

Lisa Fretwell, Chair of the ESG Committee

On behalf of the Board, I am pleased to report on the progress of the Group's ESG strategy for 2024. We have made good headway along our net zero journey, turning theoretical plans into tangible and practical strategies and have taken time to reevaluate and refine our overall ESG strategy to ensure it is impactful and pertinent yet is pragmatic and proportionate to the risks and opportunities the Group faces. Our strategic goals and ambitions are set out on page 25 and cover the full ESG landscape that is relevant to Restore. We have also enhanced our KPI reporting, ensuring alignment with both our revised strategy and the KPIs which are included within the Executive Directors incentivisation for the year.

Throughout this report, you will see how our thinking has matured across all areas of ESG, with a clear, sensible path towards achieving our strategic goals and ambitions in 2025 and beyond. Our ESG targets are ambitious but credible and while we may not have all the answers yet, we feel confident about our immediate, short-term and many of the medium-term steps we need to take to achieve them.

Governance of ESG

To ensure there is the appropriate focus and challenge on all aspects of the Group's ESG strategy, Restore operates a Board-level ESG Committee which is chaired by me as an Independent Non-Executive Director and attended by other Non-Executive and Executive Directors. This Committee formally reviews and challenges the Group's ESG strategy, holds management to account for delivery of committed execution plans and signs off ESG disclosures and assurance. The Terms of Reference are available on our website.

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

- reviewing and challenging the overall ESG strategy, including 2024 priorities and reporting requirements;
- reviewing and assessing 2024 progress and 2025 priorities for each focus area in the ESG strategy;
- working with the Remuneration Committee to agree and implement ESG-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 Transition Plan Taskforce ("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.

ESG Strategy

We are working with our customers and suppliers to deliver a secure and sustainable business future, focusing on Our Planet, Our People and Our Business. Our overall "Restoring our world" strategy, and its constituent parts, was derived in 2021 following a materiality assessment, whereby a broad set of stakeholders were surveyed to derive consensus on the main ESG issues the Group faced. In 2024, we have reassessed the strategy and the strategic pillars underpinning it to ensure that the overall strategy and its key topics remain pragmatic and impactful and are focused on those areas that we believe are most relevant to the Group and the ESG landscape in which we operate.

The review in 2024 had led to the following updated strategy. Whilst the overall vision and focus areas remain appropriate, the "Topics, long-term goals and ambitions" have been refreshed to ensure they align both with the revised operational structure of Restore and also align with the areas we now believe to be the true key ESG focus areas for the Group.

Our Strategy — Restoring our world

Our Vision — Deliver a secure and sustainable future

Focus areas — Our Planet | Our People | Our Business

Topics, long term goals and ambitions

Our Planet

- **Climate action**
  To accelerate our journey to Net Zero, in-line with the objectives set out in the 2015 Paris Accord, and become a Net Zero organisation by 2050.
- **Diversion of waste from landfill**
  To send zero Restore waste to landfill.
- **Biodiversity**
  To reduce our impact on the natural world and habitats across our property estate.

Our People

- **Health, safety & wellbeing**
  To ensure there is a culture across the Group of "Safety first" and that we have a positive impact on the overall wellbeing for all in the Group.
- **Culture**
  To provide a trusting and supportive culture where everyone can thrive and be their best.
- **Community**
  To ensure that we make a positive contribution to the communities we operate in.
- **Enriching careers**
  To improve the working life for employees.
- **Diversity & inclusion**
  To ensure that our workplace is diverse, equitable and inclusive for all.

Our Business

- **Board Governance**
  To ensure that the Group is managed for the long-term benefit of all shareholders with corporate governance being an essential part of this.
- **Data security**
  To always be the trusted custodian of the data we hold.
- **Contract management**
  To have in place a contract management process that reduces risk, improves efficiency and creates transparency for all parties involved.
- **Compliance & training**
  To have in place best in class compliance and training practices throughout the Group.

Foundations — Transparency and reporting; KPIs and policies

The key changes from the strategy derived in 2021 are as follows:

- Under Our Planet we have redefined "Resource Use" to be more focused on the treatment of the waste that we create; an environmental issue that we consider to be key to our ESG progress. During 2025 we will determine our commitment as to when we anticipate sending zero Restore waste to landfill. Following this, in the medium-term, our focus will move up the waste hierarchy, setting commitments around the amount of waste we actively recycle rather than just the amount that is diverted from landfill.
- There have been no changes to Our People strategy, whilst the execution of the strategy may differ following changes to the people leadership team, the topics and goals set out in the original strategy are still considered to be the core foundations.
- The most significant changes have been made to Our Business strategy. On reflection, most of the previous focus areas, whilst fundamental to the successful running of our businesses, are deemed to be core day-to-day elements of our divisional strategies rather than overarching principles of how we govern our business. We wanted the revised strategy to reflect the areas that were needed to underpin how we run our business; those that provide the foundations for our commitment to transparency, fairness, sustainability and equality. The revised strategic pillars also align with the areas that our Governance team oversee and focus on. No change is recommended to the Data security pillar given the fundamental importance this has to both our business and how we govern it.

The KPIs set out on page 26 have been refined to reflect the changes noted above.

ESG Committee Report continued

KPIs

The KPIs below represent the measures that we will use to track progress against our "Restoring our World" strategy for the foreseeable future and reflect the changes to the strategy referenced on page 25. We understand the importance of consistency in KPI reporting and will continue to report the measures below going forward. Where a key ESG topic does not yet have a relevant KPI, for example Biodiversity and Community, we will look to develop an appropriate measure in 2025.

These KPIs have also been updated to align with the ESG strategic objectives included within the Executive Directors 2024 bonus targets (refer to page 68 for further details). The Group understands that it is best practice to establish ESG-related incentivisation schemes to ensure that the ESG commitments made are appropriately embedded within the culture of the organisation and will look to cascade down appropriate targets to additional senior management in the Group as well as reviewing that the targets continue to be appropriate and relevant.

Our Planet	Link to strategy	2024	2023	2022
Reduction in Scope 1 and Scope 2 market-based emissions (tCO2e)*	Climate action	**6%**	17%	Not measured
Intensity ratio (Scope 1, 2 and 3 market-based emissions per £m of revenue)	Climate action	**31.3**	34.3**	41.3
Hybrid/electric vehicles in the fleet (%)	Climate action	**45%**	17%	3%
Hybrid/electric company cars in the fleet (%)	Climate action	**99%**	91%	63%
Sites with REGO backed electricity contract (%)	Climate action	**93%**	86%	85%
Waste diverted from landfill (%)	Diversion of waste from landfill	**93%**	Not measured	Not measured

Our People	Link to strategy	2024	2023	2022
Women in management roles (%)	Diversity & inclusion	**31%**	33%	33%
Women on the Board (%)	Diversity & inclusion, Board Governance	**33%**	40%	50%
Women across the business (%)	Diversity & inclusion	**30%**	34%	34%
Employee engagement (%)*	Culture, Enriching careers	**73%**	Not measured	70%
Employee engagement survey response rate (%)*	Culture	**78%**	Not measured	74%

Our Business	Link to strategy	2024	2023	2022
Total e-learning training completed (%)	Compliance & training	**87%**	Not measured	Not measured
Health and safety e-learning training completed (%)*	Health, safety & wellbeing, Compliance and training	**86%**	Not measured	Not measured
Top 250 suppliers assessed through our 3rd party risk management tool (%)	Contract management	To be reported on in 2025 onwards		
Trustpilot rating (average)***	Data security, Contract management	**4.6/5.0**	4.6/5.0	4.6/5.0
Near miss and safety observations (numbers reported)*	Health, safety & wellbeing, Compliance & training	**643**	396	123
Number of major non-conformances found in external audits*	Health, safety & wellbeing, Compliance & training	**1**	Not measured	Not measured
Certifications awarded	Data security	Refer to pages 8 to 15		

* KPIs included in Executive Directors annual bonus targets (refer to page 68 for further details)
** KPI restated in line with GHG emissions – refer to page 35
*** relevant businesses are Datashred and Information Management

Strategic progress

Our Planet

2024 progress

Climate action

- Operationalised our net zero roadmap through the introduction of various management-led working groups, the key one being the Environmental Operational Committee (the "EOC") which includes the CFO, Company Secretary and sustainability specialists from each of the businesses. The focus of this committee is to drive actions in the businesses to meet the Group's climate targets and commitments and is supported by the Fleet Forum and Property Working Group who focus on the decarbonisation of our fleet and estate respectively.
- Increased the frequency of our carbon reporting from annually to quarterly. This has allowed us track progress against our interim net zero targets.
- Developed a comprehensive fleet decarbonisation roadmap across all businesses, formalising the key strategic levers we plan to take including both the electrification of our fleet and the use of alternative fuels.
- Completed the quantification of our full Scope 3 baseline, ensuring that all relevant emissions are now assessed-refer to page 32 for further details.
- Collaborated with external sustainability specialists to develop the Group's first TPT Disclosure Framework aligned Net Zero Transition Plan. This TPT Plan will be published shortly on our website (www.restoreplc.com)
- Secured REGO backed electricity contracts on 100% of sites where we directly procure electricity. Overall, 93% of our sites now have renewable electricity.
- Implemented carbon-related incentives for the Executive Directors as part of their annual bonus targets.

Diversion of waste from landfill

- Consolidated our waste providers across the Group to one single provider. This national provider has strong environmental principles and does not send waste to landfill unless there is no viable alternative. We expect this to significantly reduce the level of waste we send to landfill in the future.
- Started to actively track our waste statistics across the Group with a view to determining our waste commitments in 2025. This includes understanding how much waste is recycled, how much is incinerated and how much goes to landfill.

Biodiversity

- Published biodiversity policies in a number of our businesses.
- Commenced an impact assessment of biodiversity risks and opportunities within the operations of the Group, guided by the LEAP approach (Locate, Evaluate, Assess, Prepare).
- Initiated discussions with some of our larger landlords on the approach to biodiversity on their sites.

Our priorities and plans in 2025 are:

- Execution of the fleet decarbonisation roadmaps proposed by the businesses. This will involve the further electrification of vehicles where possible alongside the usage of alternative fuels such as HVO in several of our businesses.
- Develop a process to simplify the measurement of the Group's full scope 3 emissions to ensure that this becomes an annual repeatable process alongside developing further understanding of the Group's Scope 3 emissions and the strategic levers available to start to manage and reduce these emissions.
- Develop further commitments in relation to waste and biodiversity to align with the focus of "Our Planet" strategy.
- Cascade carbon incentivisation schemes 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.
- Submit our near-term and long-term net zero commitments for approval by SBTi.
- Publish the Group's first TPT Disclosure Framework aligned Net Zero Transition Plan.

ESG Committee Report continued

Strategic progress continued

Our People

2024 progress

Health, safety and wellbeing

- Successfully completed several external health and safety audits, undertaken by a 3rd party partner, with no major non-conformances unresolved by the end of 2024.
- Enhanced our health and safety system landscape with the commitment to a new system which will significantly improve our incident reporting, allow us to benchmark our performance across the Group and will act as a single source of the truth across all businesses.
- Significantly improved the Group's wellbeing data and reporting, allowing us to develop our understanding of key wellbeing issues within the businesses and helping to inform appropriate and proportionate responses and actions.
- Improved access to wellbeing support services with a 10% increase in the utilisation of our Employee Assistance Programme.

Culture

- Observed encouraging results from the "Your say" employee engagement survey which was run in the year, with an improved response rate of 78% (vs 74% when previously run) and an improvement in engagement from 70% to 73%.
- Launched several new and improved recognition schemes across all divisions in the year, recognising long-service as well as performance.
- Embedded colleague voice forums across large parts of the business, opening up two-way communication channels and allowing our colleagues to have their say.

Community impact

Each of our businesses has been actively engaged in the community, working with external partners and making it easier for our colleagues to donate and support charities, examples include:

- partnering with local employability services and DWP to help support positive futures in our communities;
- continuing to support and donate to several charities including the Mission Christmas Cash for Kids charity, Barnardos, Crisis, 2wish foundation and the Whitechapel Mission; and
- making apprenticeship levy donations to SME's across our communities.

Enriching careers

- Continued to roll out leadership development training across all senior and functional leaders and are on track for 100% of leaders to have participated in the programme by April 2025.
- Launched the "Restores Futures" programme to encourage learning through apprenticeships. Technology currently have 20 colleagues on a live programme, Harrow Green have 15, and Datashred have 9. Information Management will launch 30 apprenticeships in 2025.
- Improved access to support benefits following a benefits platform review. Enhanced benefits include the introduction of Wagestream and additional service-related holidays in Datashred, life assurance benefit launched for all employees across the Group, maternity and paternity provisions increased from a statutory minimum and care concierge services relaunched and promoted.

Diversity and inclusion

- Raised awareness and promoted and celebrated diversity and inclusion through several calendar events such as Black History Month, South Asian Heritage Month, Pride and Diwali.
- Completed extensive diversity and inclusion training with 90% of our colleagues completing the relevant courses, above our target of 85% for the year.
- Improved data gathering and awareness of our workforce demographics following the "This is me" campaign in 2023. This has translated to monthly KPI dashboards being produced which are reviewed by the businesses.

Our priorities and plans in 2025 are:

- Focus on equipping our people leaders to support wellbeing with 75% of leaders targeted to complete wellbeing training by the end of 2025.
- Develop and roll-out the new health and safety system across the Group with a focus on enhancing incident reporting and the root cause analysis of incidents.
- Continue to enhance our diversity and inclusion data with all businesses committing to targets and action plans to work towards a more diverse workforce at all levels by the end of 2025.
- Reinvigorate and further embed our colleague networks, proactively supporting under-represented employee groups to provide feedback, share lived experiences and influence cultural change.

Our Business

2024 progress

Board governance

- Completed a gap analysis in preparation for the introduction of the 2023 QCA code with additional focus on annual board evaluations and shareholder voting rights on our Remuneration Policy.
- Appointed a new Non-Executive Director, Patrick Butcher, broadening the skills and experience of the Board.
- Addressed the key findings from the 2023 Board evaluation process, refer to page 59 for further details.

Data security

- Published and issued a new Data Protection Policy and sub-policies and procedures around subject access requests, data protection impact assessments, appointing sub-processors and data incidents.
- Rolled out compulsory e-learning for all employees on data protection with supplementary in-person training being delivered to certain roles and functions who have more exposure to this area.
- Obtained comprehensive cyber and professional indemnity insurance which is now in place across the Group.
- Established a Bi-monthly Data Protection Oversight Committee to ensure issues are aired and best practice shared across the Group.

Contract management

- Implemented new systems during the year to enhance and streamline both our contract repository and contract standardisation processes.
- Reviewed existing supplier terms and conditions to ensure they remain fit for purpose and developed new framework supplier contracts to be used with our stakeholders.
- Committed to a 3rd party risk management tool which will allow the Group to perform supplier due diligence on key current suppliers and during the onboarding process of new suppliers.
- Invested in additional internal resource to ensure that the contract management process is efficient, robust and consistent across the Group and across stakeholders.

Compliance and training

- Developed and externally published a supplier code of conduct, which focuses on the compliance, ethical and governance expectations we have of our supply chain.
- Completed a substantial policy review and refresh exercise to ensure that policies are pertinent, consistent, non-duplicative and in line with the Group's aims and ambitions. Within this a new code of conduct has been developed and rolled out to all relevant stakeholders.
- Rolled out a new e-learning platform across the Group, allowing access to a significant number of training modules and courses.

Our priorities and plans in 2025 are:

- Develop a robust approach and mitigation strategy to address supply chain risk throughout the organisation. This will include the successful implementation of the Group's new 3rd party risk management tool, starting with the top 250 suppliers by spend being assessed and evaluated.
- Implement practices to close all gaps identified in the introduction of the new 2023 QCA code.
- Continue the development of our new e-learning platform, ensuring the training programmes undertaken are proportionate to roles and responsibilities, the schedule and cadence of training raises awareness of key issues across the Group and reporting is enhanced to allow the accurate monitoring of e-learning completion rates.

ESG Committee Report continued

Net zero journey

The Group aims to be a net zero organisation by 2050. From a 2023 baseline, interim targets are in place to reduce absolute Scope 1 and 2 emissions by 50% by 2030 and absolute Scope 3 emissions by 42% within the same timeframe. Additionally, the Group has committed to reducing absolute Scope 1 and 2 emissions by 90% by 2035. These targets have been set by following the Science Based Targets initiative (SBTi) Corporate Net Zero Standard, as this is the only credible and international framework that guides how companies can set targets that are aligned with climate science and the Paris Agreement. In 2025 the Group will be working to validate its targets with SBTi.

The Group will also shortly publish its first TPT Disclosure Framework aligned Net Zero Transition Plan. The transition plan turns commitments expressed under the 'Our Planet' pillar of our ESG Strategy into a real and tangible roadmap for how the Group will become a net zero organisation. Restore may not have all the answers yet, but in the coming years we are committed to transparently sharing updates on our progress.

To facilitate our 2050 net zero target, we will put in place a comprehensive decarbonisation roadmap to be delivered by each individual business and supported by strong governance within the Group.

We have engaged with a third-party to establish an initial set of actions to be completed along this roadmap. These actions are based on the outcomes of carbon footprint data analysis and a stakeholder questionnaire sent out to representatives of the businesses.

Roadmap to net zero

Restore will achieve net zero by reducing absolute Scope 1, 2, and 3 emissions by 90%, from a 2023 baseline, by the following target years:

- Scope 1 and 2: 2035
- Scope 3: 2050.

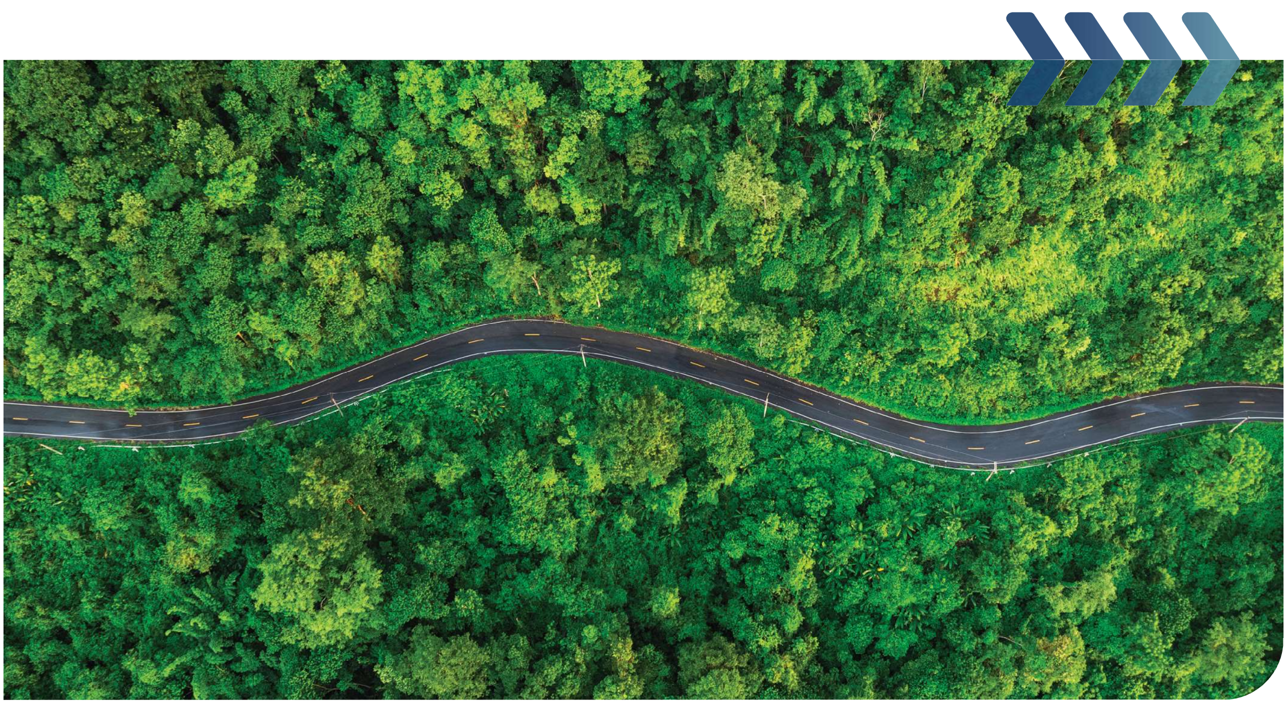
These long-term commitments are supported by near-term targets:

- to reduce Scope 1 and 2 emissions by at least 50% by 2030;
- to reduce Scope 3 emissions by 42% by 2030; and
- to ensure that by 2030, suppliers covering 70% of emissions from Purchased Goods and Services have set net zero targets aligned with a 1.5°C pathway.

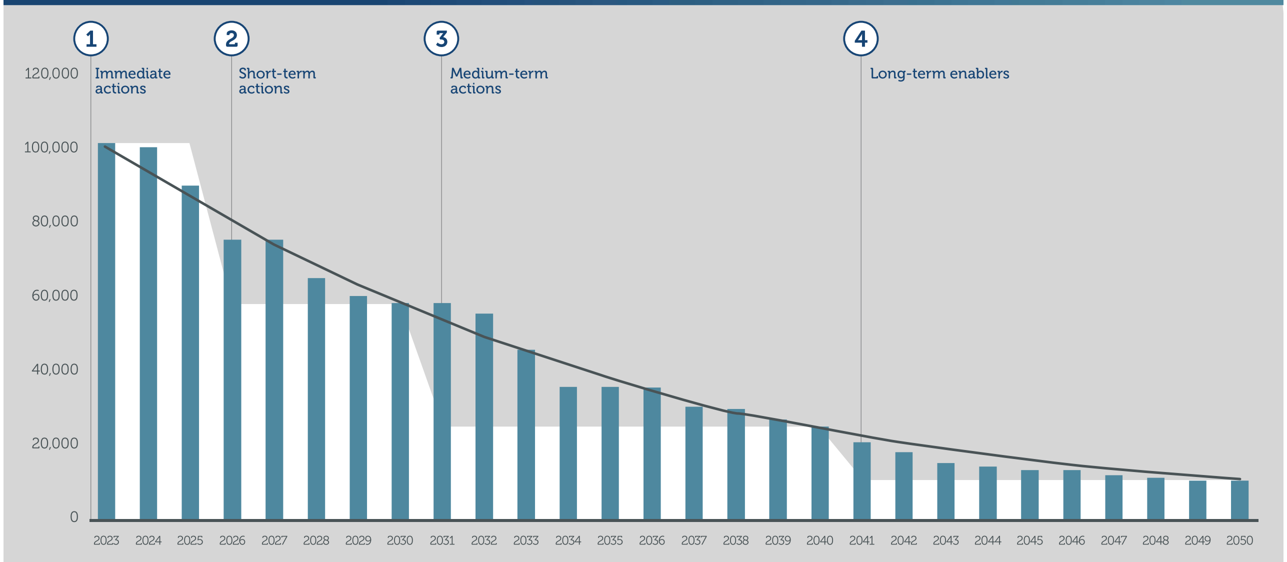
The actions aim to provide a comprehensive programme of decarbonisation, acknowledging that not all actions deliver direct carbon reduction initially, but are required to support a data led culture of decarbonisation and establish some essential foundations for future carbon savings.

This roadmap will be integrated into our governance framework to ensure accountability and rigour in reporting. It is essential that as a Group we embed sustainability considerations into our decision-making processes, and our commitment to net zero will be reflected in Board oversight, executive compensation, and risk management practices.

The roadmap is broken down into four time horizons with the associated focus areas as set out on page 31.



Path to net zero – Time horizons



Solutions for decarbonisation overview

1. **Immediate actions (2025)** – a focus on improving data quality for our key emissions sources. This will provide us with the granular detail required to strategically target key emissions sources for individual Scopes and categories of emissions. We will also initiate engagement with our suppliers to develop knowledge sharing and education.

2. **Short-term actions (2026 to 2027)** – will focus on a completion of a comprehensive review of supply chain net zero maturity, internal and external engagement activities and progressing with ongoing decarbonisation strategies for buildings and fleet.

3. **Medium-term actions (2028 to 2039)** – to include initiatives that build on our short-term actions. It is anticipated that by this point we will have achieved our near-term targets and will see changes to regulatory frameworks (e.g. carbon pricing) to guide our next steps.

4. **Long-term enablers (2040 to 2050)** – these fall into the last decade of action before our long-term net zero target. There is still a high level of uncertainty and related dependencies linked to our decarbonisation trajectory, however, we will update our approach in the next iteration of our Transition Plan once there is more clarity in the market.

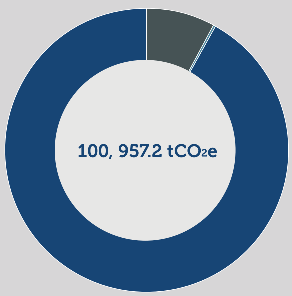
	Decarbonisation	Engagement	Governance	Policies
1 **Immediate** (2025)	› Improving data quality with a focus on purchased goods and services and use of sold goods data. › Setting strategies for decarbonisation of estate and fleet.	› Initial engagement activities with key suppliers. › Initial net zero engagement and training with employees.	› Embedding environmental committees and working groups into the Group's corporate governance structure. › Net zero training for Board Members.	› Updating sustainable procurement policies. › Updating remuneration strategy for Executive Directors.
2 **Short-term** (2026 - 2027)	› Start to access activity-based data. › Determine feasibility of a large-scale solar array at the Monkton Farleigh mine.	› Comprehensive review of supply chain. › Comprehensive employee training and engagement.	› Identify channels for internal and external communications. › HR process to determine appropriate skills across the organisation levels.	› Updating travel policies. › Updating procurement policies to drive energy efficiency, low waste and low carbon.
3 **Medium-term** (2028 - 2039)	› Seek new suppliers if current ones do not meet criteria. › Reduced Scope 1 and 2 emissions by 90% by 2035.	› Agree net zero action plans with key suppliers. › Ongoing training on net zero.	› Review approach to Board remuneration on net zero transition. › Understand what skills will be needed to lead the business beyond net zero.	› Review whether all relevant policies are in place. › Ensure all supplier contracts mandate carbon disclosure.
4 **Long-term** (2040 - 2050)	› Ensure smart carbon data collection solutions are embedded into finance systems. › Continuous and transparent review of targets, actions and processes.	› Strong relationships with suppliers, knowledge sharing and innovation. › Collaborative work with suppliers, peers and civil society focused on achieving net zero.	› Ongoing transparent reporting of progress. › Ongoing monitoring and management of transition plan implementation.	› Ongoing review of process to enable net zero. › Ongoing review of policies to enable net zero.

ESG Committee Report continued

2024 progress against the immediate actions

Improving data quality with a focus on purchased goods and services and use of sold goods data – during 2024 we completed the quantification of our full carbon baseline covering all scopes and all relevant emissions. The baseline represented 2023 data and highlights the significance of the emissions in our value chain compared to those in our operations.

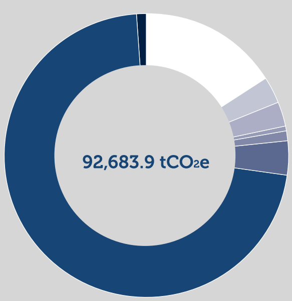
Total scope 1, 2, and 3 carbon footprint (market-based) for YE 2023, tCO2e



Scope 1	7.8%
Scope 2	0.4%
Scope 3	91.8%

Our scope 3 emissions are further broken down into the following categories:

Scope 3 carbon footprint by emission source for YE 2023, tCO2e



Purchased goods and services	14,909.7	15%
Fuel and energy related activities	3,117.9	3%
Upstream transportation and distribution	2,577.1	3%
Waste	411.1	0%
Business travel	592.5	1%
Employee commuting	3,360.6	3%
Use of sold products	66,589.7	66%
End-of-life treatment of sold products	1,125.4	1%

Our largest category of Scope 3 emissions is "use of sold products" and relates entirely to our Technology division who remarket a variety of IT equipment. Whilst these services support the expansion of the circular economy through their recycling credentials, the Scope 3 emissions calculated must represent the expected lifetime emissions of all relevant products sold which leads to the significant emissions recorded.

"Purchased goods and services" reflect emissions from purchases made throughout 2023, the largest emissions are generated from our purchase of building construction related materials and printing and recording services.

All emissions have been calculated based on the spend methodology and therefore have an inherent level of estimation within them. Our focus in 2025 will be two-fold:

1. Start to understand the strategic levers available to us to reduce our largest Scope 3 emissions. We want to implement pragmatic and impactful solutions that drive our emissions down but are also balanced and proportionate to the Group's wider strategy.
2. Look to refine and improve the quality of the data behind the calculation of the largest Scope 3 emissions in order to reduce the level of estimation within these numbers. This will include starting to access activity-based data off which to calculate emissions more accurately.

Setting strategies for decarbonisation of estate and fleet – we have made good progress during 2024 in setting our net zero decarbonisation strategies for our estate and fleet:

Estate

- We have c19MW of electricity consumption 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.

Fleet

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% of 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 portfolio in the coming years, initially targeting the Datashred division who have the largest share of the Group's Scope 1 emissions.
- the incremental operating cost of our 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 EV infrastructure.

Initial engagement activities with key suppliers – during 2024 a supplier code of conduct was developed which set out the expectations we have of our supply chain in terms of their ethical and compliance behavior. This supplier code of conduct includes several environmental areas including environmental responsibility, resource efficiency and waste minimisation, pollution and emissions reduction, and environmental reporting and is published on our website (www.restoreplc.com). During 2025 we will also be implementing a new 3rd-party risk management tool to allow us to complete robust supplier due diligence on our key suppliers, this will include an element of understanding their net zero journey and carbon footprint. The data gathered from this exercise will allow us to start to understand the net zero impact of our supply chain and ultimately allow us to engage appropriately with suppliers.

Initial net zero engagement and training with employees – all employees now must complete a mandatory environmental awareness training module on our new e-learning platform. During 2025 we will look to establish a programme of more bespoke training and communications that will raise the awareness of our net zero strategy across the Group.

Embedding environmental committees and working groups into the Group's corporate governance structure – various management led committees have been integrated into the Group's governance structure as set out below, the remit of each of these groups is detailed further on page 36:

Restore plc's net zero governance structure:

Net zero training for Board members – during 2024, the Board participated in training, facilitated by a 3rd party, focusing on the current net zero landscape, Restore's specific net zero journey and how they can best govern and challenge the Group's journey. We will continue to provide training to the Board and senior management as is deemed necessary throughout 2025.

Updating sustainable procurement policies – the Group developed a new Environment Policy in 2024 which is published on the Group's website (www.restoreplc.com). The aim of this policy is to set out the strategies that will be implemented and actions which will be undertaken in order to reduce our impact in this area. As referenced above, we also implemented a supplier code of conduct that included the environmental expectations we have of our supply chain. In 2025 we will continue to develop our suite of sustainable policies including sustainable procurement policies.

Updating remuneration strategy for Executive Directors - as detailed in the Remuneration report on page 68, a portion of the Executive Directors annual bonus for 2024 was linked to an absolute reduction in Scope 1 and 2 market-based emissions. In 2025, carbon-related incentivisation will be cascaded down to additional senior management to ensure that all businesses are aligned in their commitment to the Group's net zero targets and ambitions.

ESG Committee Report continued

Outlook

This pathway to net zero sets out the next chapter of our sustainability journey, and our robust commitment to our net zero target. We have already started to implement carbon reduction measures across the Group, but like most businesses in our industry, we have a complex ecosystem that will require consolidated action to decarbonise. Making sustainability an integral part of the organisation will help to unlock our potential, harnessing opportunities that our sustainability journey delivers whilst mitigating the key risks present and will ensure that we are fit for the future.

The path to net zero requires immediate action, innovative solutions and transformative change. To deliver against these net zero targets, therefore, we will be working to ensure all available carbon reduction opportunities and initiatives are embedded across our businesses. We have a strong foundation of sustainable action across the organisation and are culturally well placed to build upon this but must unify across the businesses to maximise impact.

We are confident that our net zero commitments are well aligned with our business strategy, and we are prepared to invest in making a net zero future the reality for Restore.

As part of our ongoing commitment to transparent and comprehensive reporting, our baseline and net zero targets will be reviewed for relevance on an annual basis as part of Net Zero Governance.*

2024 carbon emissions

In line with best practice, our Global Green House Gas ("GHG") emissions report is set out on the next page. The GHG data relates to emissions during the 12-month period from 1 January to 31 December 2024, and 100% of our emissions are UK based. Our carbon footprint is calculated using methodologies consistent with the GHG Protocol with additional guidance notes included as required and has been verified by a third-party as being compliant with the Streamlined Energy and Carbon Reporting guidelines to a level of limited assurance.

Location-based emissions (reflects the average emissions intensity of grids on which energy consumption occurs)

Total emissions reduced by 4% from 2023, with a reduction of 560 tCO2e. Emissions from our fleet are the most significant driver of our carbon performance, comprising c58% of total emissions, and these emissions reduced by 1% from 2023 following the gradual replacement of our smaller fleet vehicles with electric/hybrid alternatives. Overall, 45% of our fleet is now either electric or hybrid, an increase from 17% in 2023, with 99% of our company cars now using lower-carbon technology. Emissions from waste have also significantly reduced (72% reduction) as our focus shifts to actively diverting waste from landfill, supported by a new national waste management provider.

Market-based emissions (reflects emissions from electricity that companies have purposefully chosen)

Total emissions have fallen by 9% from 2023, with a reduction of 894 tCO2e. The reduction is driven by the same factors as the location-based emissions above but in addition the Group continues to take action to seek sustainably sourced energy in its estate. 93% of sites now have electricity supplied through REGO backed suppliers (2023: 86%) with 100% of directly procured electricity now being renewable. Where Restore does not manage that supply directly, for example where a landlord manages power supply, the Group is actively negotiating for that energy supply to transition to a renewable alternative.

Intensity ratios

In line with lower emissions, our market-based intensity ratio has reduced to 31.3 from 34.3 driven by the factors above.

* In line with the SBTi Corporate Net Zero Standard, companies are required to check targets annually and at minimum review them every five years. If necessary, companies must recalculate their target to reflect significant changes that might compromise the target. Recalculation should not be triggered by organic growth but should be triggered by significant changes in company structure / operation (e.g. mergers/acquisitions), in methodology used for calculating the base year inventory (e.g., improved emissions factors, improved data quality), and in the occurrence of significant errors.

Streamlined Energy and Carbon Reporting ("SECR")

The Group has continued to make good progress on improving our data collection, data coverage and data quality.

In line with prior year, we have included market-based reporting as well as location-based reporting to demonstrate how our procurement approach prioritises renewable energy sources. We do not yet include our full Scope 3 emissions in our SECR reporting but will endeavour to do so in the medium-term.

tCO2e	2024	2023	2022
Fleet fuel emissions	7,122.6	7,222.6	8,281.0
Natural gas	474.5	509.0	412.4
Heating fuels	–	121.9	153.6
Total Scope 1[1]	**7,597.1**	**7,853.5**	**8,847.0**
Electricity	3,919.0	3,824.2	3,841.8
Total Scope 2 location-based[2]	**3,919.0**	**3,824.2**	**3,841.8**
Electricity	177.0	416.2[3]	1,154.3
Total Scope 2 market-based[2]	**177.0**	**416.2**[3]	**1,154.3**
Total Scope 1 and 2 location-based	**11,516.1**	**11,677.7**	**12,688.8**
Total Scope 1 and 2 market-based	**7,774.1**	**8,269.7**[3]	**10,001.3**
Transmission and distribution losses	348.1	330.5	351.4
Business travel	319.6	443.0	397.8
Waste	113.0	404.1	731.5
Water	6.7	13.2	13.4
Procurement	43.0	37.6	29.1
Total Scope 3[4]	**830.4**	**1,228.4**	**1,523.2**
Total Scope 1, 2 and 3 location-based	**12,346.5**	**12,906.1**	**14,212.0**
Total Scope 1, 2 and 3 market-based	**8,604.5**	**9,498.1**[3]	**11,524.5**

Intensity measures

In line with previous years, management provides an intensity measure for carbon usage based on revenue and headcount in order to correlate emissions with levels of activity in the Group.

tCO2e	2024	2023	2022
Intensity measure (per £'m of revenue)			
Group revenue (£'m)	**275.3**	277.1	279.0
Scope 1, 2 and 3 location-based emissions per £'m of revenue	**44.8 (-3.9%)**	46.6 (-8.4%)	50.9 (-12.5%)
Scope 1, 2 and 3 market-based emissions per £'m of revenue	**31.3 (-8.7%)**	34.3 (-16.9%)[3]	41.3
Intensity measure (per employee)			
Average employee numbers (FTE)	**2,556**	2,727	2,892
Scope 1, 2 and 3 location-based emissions per employee	**4.8 (2.1%)**	4.7 (-4.0%)	4.9 (-12.5%)
Scope 1, 2 and 3 market-based emissions per employee	**3.4 (-2.9%)**	3.5 (-12.5%)[3]	4.0

Energy consumption

The tables represent 100% of our business energy use, a breakdown of emissions by fuel type is provided below.

kWh	2024	2023	2022
Gas oil	-	253,283.9	290,951.3
Natural gas	2,594,549.2	2,782,374.3	2,259,222.0
Propane (buildings)	-	52,432.5	80,272.7
LPG (buildings)	-	87,121.1	8,269.8
Diesel oil (buildings)	-	41,522.9	76,509.5
Burning oil	-	34,226.9	126,909.2
Fleet	28,470,517.7	28,466,985.1	32,312,398.7
Grey fleet	1,033,847.3	1,426,441.7	1,536,848.4
Electricity	19,014,703.9	18,492,891.0	19,894,303.8
Total energy consumption[5]	**51,113,618.1**	**51,637,279.4**	**56,585,685.4**

1 Scope 1 (direct) – measures which relate to emissions resulting from activities owned or controlled by Restore.
2 Scope 2 (energy indirect) – emissions are those released into the atmosphere that are associated with the Group's consumption of purchased electricity, heat, steam and cooling. These indirect emissions are a consequence of the Group's energy use but occur at sources the Group does not own or control.
3 The 2023 market-based electricity emissions have been restated as it was discovered in 2024 that an incorrect conversion factor had been applied to the electricity at one site.
4 Scope 3 (other direct) – emissions are a consequence of the Group's actions that occur at sources that the Group does not own or control and are not classed as Scope 2 emissions.
5 Energy consumption data is captured through utility meter reads or estimates.

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: Negligible	Low	Moderate	High	Directional impact of the scenarios identified on the risks/opportunities

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: Negligible	Low	Moderate	High	Directional impact of the scenarios identified on the risks/opportunities

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

ESG Committee Report continued

ESG principles

Below is a summary of the key policies held by the Group in relation to non-financial matters.

Code of conduct

High standards of ethical behaviour and compliance with laws and regulations are essential to protecting the reputation and long-term success of the Group. Our Code of conduct sets out the ethical standards that should govern the activities of Restore, its subsidiaries, its employees, and any business partners. It gives guidance on recognising when and where ethical problems exist, and how to avoid them or what to do if they cannot be avoided.

Our Code applies to all our employees, contractors and sub-contractors working in all our businesses. We expect our customers, suppliers, distributors, agents, and all other stakeholders we interact with to abide by it or to operate to similar standards. Our Code applies across all our operations, wherever they are based, and it always applies.

We provide a dedicated independent whistleblowing support line, available always, through which concerns can be raised, anonymously if required. All concerns raised will be investigated in a timely, fair, and transparent manner.

A copy of our Code of Conduct and Speak Up policy are available to view on our website.

Anti-bribery and collusion policy

The Group has a zero-tolerance policy towards bribery and corruption and is committed to acting fairly and with integrity in all its business dealings.

No party may:

- give or promise any financial or other advantage to another party (or use a third party to do the same) on the Group's behalf where that advantage is intended to induce the other party to perform a particular function improperly, to reward them for the same, or where the acceptance of that advantage will itself constitute improper conduct;
- request or agree to receive any financial or other advantage from another party where that advantage is intended to induce the improper performance of a particular function, where the acceptance of that advantage will in itself constitute improper conduct, or where the recipient intends to act improperly in anticipation of such advantage; or
- collude with other parties in order to achieve an improper purpose including influencing improperly the actions of another party specifically in relation to a bid or tendering process.

Parties must:

- be aware of and alert at all times of all bribery risks;
- exercise due diligence at all times when dealing with third parties on behalf of the Group; and
- report any and all concerns to the relevant person in accordance with the Group's Speak Up Policy. In the case of non-employees, they should contact their normal point of contact in the Group or if that person may be implicated, they should contact a Director or the Company Secretary.

A copy of the Anti-bribery and collusion policy is available to view on our website.

Equality and diversity policy

The Group wants to ensure that employees can benefit from employment, training, and development regardless of sex, colour, race or ethnic or national origin, religion or belief, disability, age, marital status, sexual orientation, gender assignment or having part time or fixed term employment.

The Group are committed to becoming an inclusive place to work, where all employees can reach their true potential in the job that they choose to do. We are committed to eliminating discrimination amongst our workforce and our objective is to create a working environment in which there is no unlawful discrimination, and all decisions are based on merit. We value the contribution which all individuals can make to the success of the Group, and we will strive, therefore, to ensure equality of opportunity for all to compete fairly. We aim to employ a workforce which recognises and takes account of the diverse, multi-cultural society in which we live.

Modern slavery and human trafficking statement

Through our people we deliver vital services to our customers. We therefore condemn slavery in all its forms and will never tolerate it both within our businesses and across our supply chains. We will not engage in any form of human trafficking and nor will we use forced, bonded, compulsory, illegal or child labour – or knowingly work with anyone who does. Working primarily within the UK, we believe our modern slavery risk is low, but we remain vigilant and continuously challenge ourselves to better understand the risk and its associated controls.

The Group has published its Modern Slavery and human trafficking statement in respect of the year ended 31 December 2024 on our website. The 2025 statement will be published on our website in compliance with the required deadline.

Human rights and ethical practices

The Code of Conduct serve as guidelines for all the Group's business and ethical practices. The Group's position on human rights reflects the core requirements of the Universal Declaration of Human Rights: freedom from torture, unjustified imprisonment, unfair trial and other oppression, freedom of expression, religion and political or other representation, respect for privacy and family life, freedom of thought and religion, and the right not to be subjected to modern slavery. Everyone has the right to be treated with respect and dignity and we want the places where we work to reflect this.

The Group will not provide support or work with businesses or organisations which fail to uphold basic human rights within their sphere of influence.

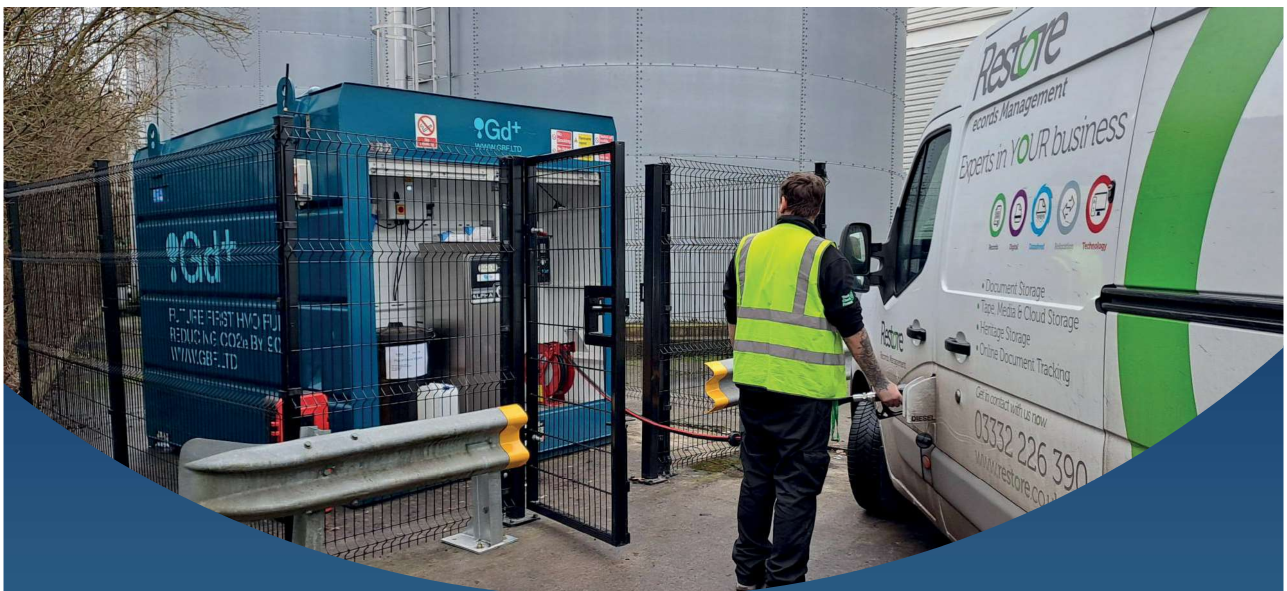
Environment policy

We understand that our activities affect the environment and the communities in which we operate. We have a responsibility to identify the resulting impacts and to manage them as effectively as possible.

The aim of the environment policy is to set out the environmental actions that we expect to occur, and the strategies that will be implemented, in order to reduce our impact in this area. We are committed to improving our environmental performance and to implementing best practice to minimise the environmental impacts of our business operations.

This policy keeps senior management and employees informed about their environmental roles and responsibilities within the Group and demonstrates our willingness to work sustainably with all our stakeholders, recognising that a sustainable environment is central to our organisation and the lives and work of our employees.

A copy of our Environment policy is available to view on our website.



Introduction of HVO

Our Information Management site in Thurrock welcomed the Group's first HVO tank during the year. HVO is a sustainable, high-quality alternative to diesel fuel. It gets its name from how it's made—by hydrotreating vegetable oils and can reduce carbon emissions by c90%, making it a fundamental cornerstone of our net zero journey, as set out on pages 30 to 34.

Right now, the vans at the site are running on HVO as part of a trial and we're planning to roll out more HVO tanks across the business in 2025 with Datashred and Technology also exploring HVO for their larger vehicles where electric alternatives are not an option.

The transition will take time, with some of our older vehicles not yet able to use HVO, but we're making the important first steps and look forward to seeing how this supports the Group in meeting their near-term and long-term net zero ambitions.