Net Zero Annual Report By Word of Mouth

Reporting Year 2024

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Our Commitment.

Taking urgent action to combat climate change and its impacts supports our purpose. Decarbonising our business and embedding climate considerations into our commercial offering are crucial elements in our support for the Net Zero transition.

We have embedded this commitment into our core objectives: to decarbonise energy use, deliver lower-carbon offerings and support the Net Zero transition.

This year, we have enhanced our emissions reporting data, engaged with suppliers to establish Net Zero preparedness, and implemented some carbon reduction actions including reducing gas consumption and prioritising lower-carbon and local menu items.

This Net Zero strategy outlines our key areas of focus for reduction activities, and contains details of our most recent carbon footprint measurement and progress with the target-setting process.

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Created by Positive Planet

Why we're taking action

Why we’re taking action.

The climate crisis is arguably the most critical challenge of our times. Because small businesses collectively account for around half of UK business emissions*, we must play our part in driving emissions down, to prevent catastrophic global impacts on our planet and its people – including me, you, our children, our grandchildren.

Transitioning to net zero is also becoming a business choice we must take. Customers are increasingly making choices based on a company’s environmental ethos, whilst governments and investors in general are increasingly mandating ever-cleaner companies and practices.

Our Net Zero Roadmap lays out, until 2030, which activities our emissions come from and how we plan to drastically reduce them in line with internationally recognised standards. It also builds on our previous work, which is stated in this report as well as on our website.

Within our overall target to reduce emissions at By Word of Mouth to Net Zero by 2037, we also hope to inspire our customers, suppliers, sector, and communities to take action.

*british-business-bank.co.uk/research/smaller-businesses-and-the-transition-to-net-zero/

The Intergovernmental Panel on Climate Change (IPCC) concluded that human activities have increased global surface temperatures by +1.1°C above 1850-1990 levels (IPCC, 2023). This increase in temperature is already having adverse effects in regions across the globe, disproportionately affecting vulnerable communities that have historically contributed the least to global greenhouse gas emissions. These adverse effects are responsible for the displacement of communities, water and food scarcity, negative human health impacts and damage to ecosystems.

Risks and opportunities

Embracing sustainable practices is not just a response to warnings of the worsening state of our climate. Many actions that are required to reduce emissions are expected to have a positive impact on other areas of our business. It is also important for the success of our business that we consider the challenges that we may face to sustain stakeholder confidence.

Risks

- Supply chain disruption
- Human health impacts
- Rapidly changing regulations
- Changing customer demands
- Increased insurance costs
- Increased heating and cooling costs
- Reputational risks

Opportunities

- Attract and retain talent and customers
- Develop new offerings
- Attract investment
- Decrease insurance costs
- Increase efficiency, reduce costs
- Increase resilience to change
- Brand enhancement

Our carbon footprint

Measuring our Emissions.

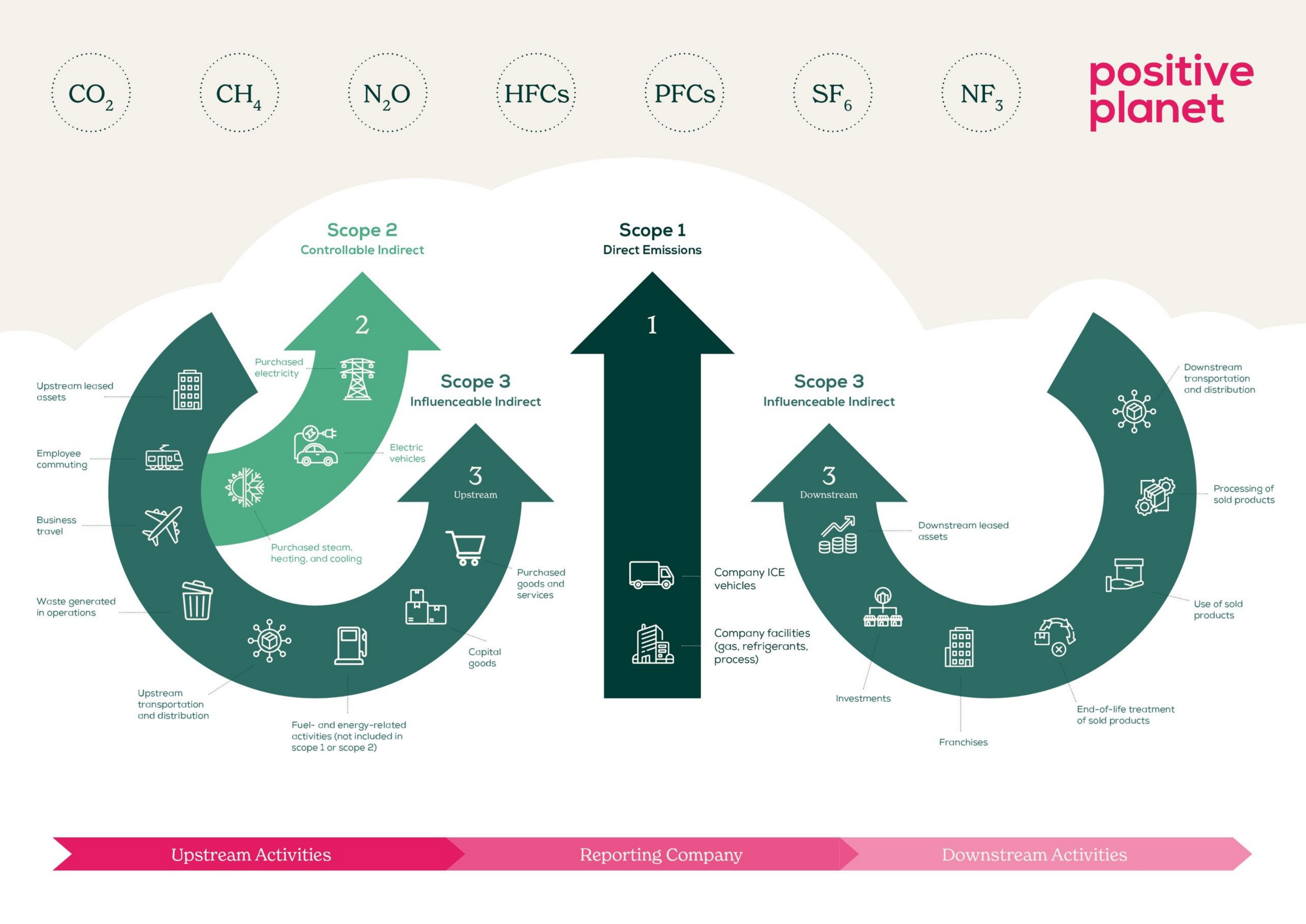
So far, we have measured emissions for two reporting periods,
1st January 2023 - 31st December 2023 and 1st January 2024 - 31st December 2024.

In each reporting year, By Word of Mouth internally collected the relevant data, which was then measured by Positive Planet. Each time, we have disclosed full scope 1 emissions, full scope 2 emissions, plus 12 (of 15) scope 3 categories. The three remaining scope 3 emissions categories (*Processing of Sold Products, Use of Sold Products, End-of-Life of Sold Products*) shall be assessed in the future.

In the second reporting period, we engaged with our supply chain to understand our suppliers' readiness and engagement with Net Zero. Although 19 suppliers demonstrated some preparedness, only 4 were able to supply comprehensive data regarding their carbon emissions. The emissions associated with those suppliers were included in the carbon footprint calculations at By Word of Mouth,

Due to improvements in data quality and changes in the published emissions factors applied to the carbon footprint calculations of By Word of Mouth, previously disclosed emissions for the 2023 period have since been restated. Restatement enables greater comparability between annual disclosures, and has been applied to the following elements:

- Spend-based data (where data was captured as annual expenditure, emissions were amended per published emissions factors update)
- Supplier-specific emissions per £ expenditure (2024-relevant carbon intensity was applied to 2023 expenditure with those suppliers)



CO_2
CH_4
N_2O
HFCs
PFCs
SF_6
NF_3
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Scope 2
Controllable Indirect
2
Purchased electricity
Electric vehicles
Purchased steam, heating, and cooling
Scope 1
Direct Emissions
1
Company ICE vehicles
Company facilities (gas, refrigerants, process)
Scope 3
Influenceable Indirect
3
Upstream
Upstream leased assets
Employee commuting
Business travel
Waste generated in operations
Upstream transportation and distribution
Fuel- and energy-related activities (not included in scope 1 or scope 2)
Capital goods
Purchased goods and services
Scope 3
Influenceable Indirect
3
Downstream
Downstream leased assets
Investments
Franchises
End-of-life treatment of sold products
Use of sold products
Processing of sold products
Downstream transportation and distribution
Upstream Activities
Reporting Company
Downstream Activities

Our Carbon Footprint.

Current Reporting Period

1st January 2024 to 31st December 2024

Emissions by Scope

Scope 1 – 29.3
Scope 2 (Location-based) – 34.2
Scope 2 (Market-based)* – 7.5
Scope 3 – 834.2

High-impact Activities:

- Procurement
- Utilities (Gas & Electricity)
- Vehicle Fleet (Diesel Vans)

tCO_2e = tonnes of carbon dioxide equivalent.
Where an emission category is reported at 0,0 tCO_2e, the category has been measured with zero relevant emissions for the reporting period.

Scope / GHG Category	tCO_2e
Stationary Combustion	13.3
Mobile Combustion	15.9
Fugitive Emissions	0.0
Process Emissions	0.0
Electricity (Location-based)	34.2
Electricity (Market-based)	7.5
Heat & Steam	0.0
Purchased Goods & Services	736.4
Capital Goods	39.4
Fuel- and Energy-Related Emissions	22.6
Upstream Transportation and Distribution	0.8
Waste Generated in Operations	0.8
Business Travel	17.0
Employee Commuting	17.2
Upstream Leased Assets	0.0
Downstream Transportation and Distribution	0.0
Downstream Leased Assets	0.0
Franchises	0.0
Investments	0.0
Market-based Total	871.0
Location-based Total	897.6

871.0 tCO_2e

28.8tCO_2e per FTE
4.0 tCO_2e per Event
25.9 $KgCO_2e$ per Guest
0.10 $KgCO_2e$ per £ Revenue

Scopes 1 & 2

36.8 tCO_2e

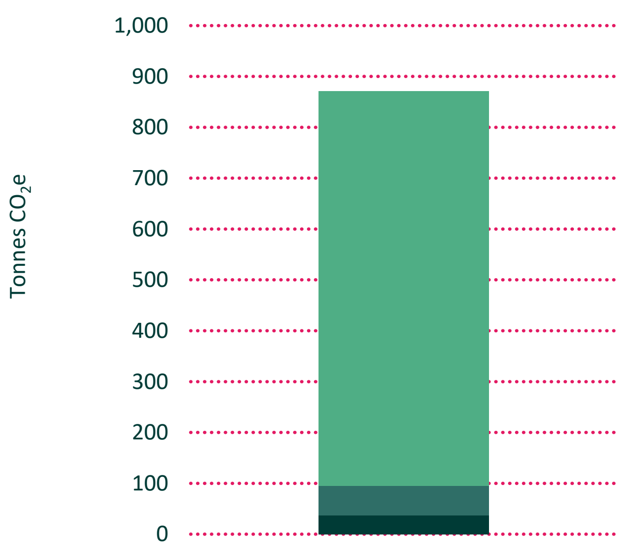
Scope 3 non-procurement

58.4 tCO_2e

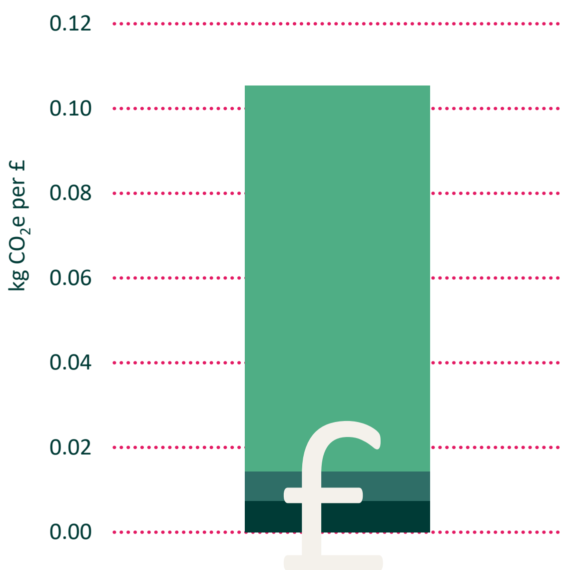
Scope 3 procurement

775.8 tCO_2e

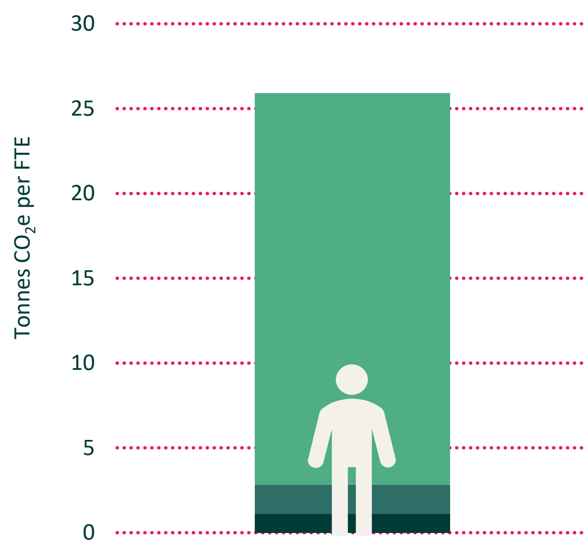
Total emissions



Emissions per £ Revenue



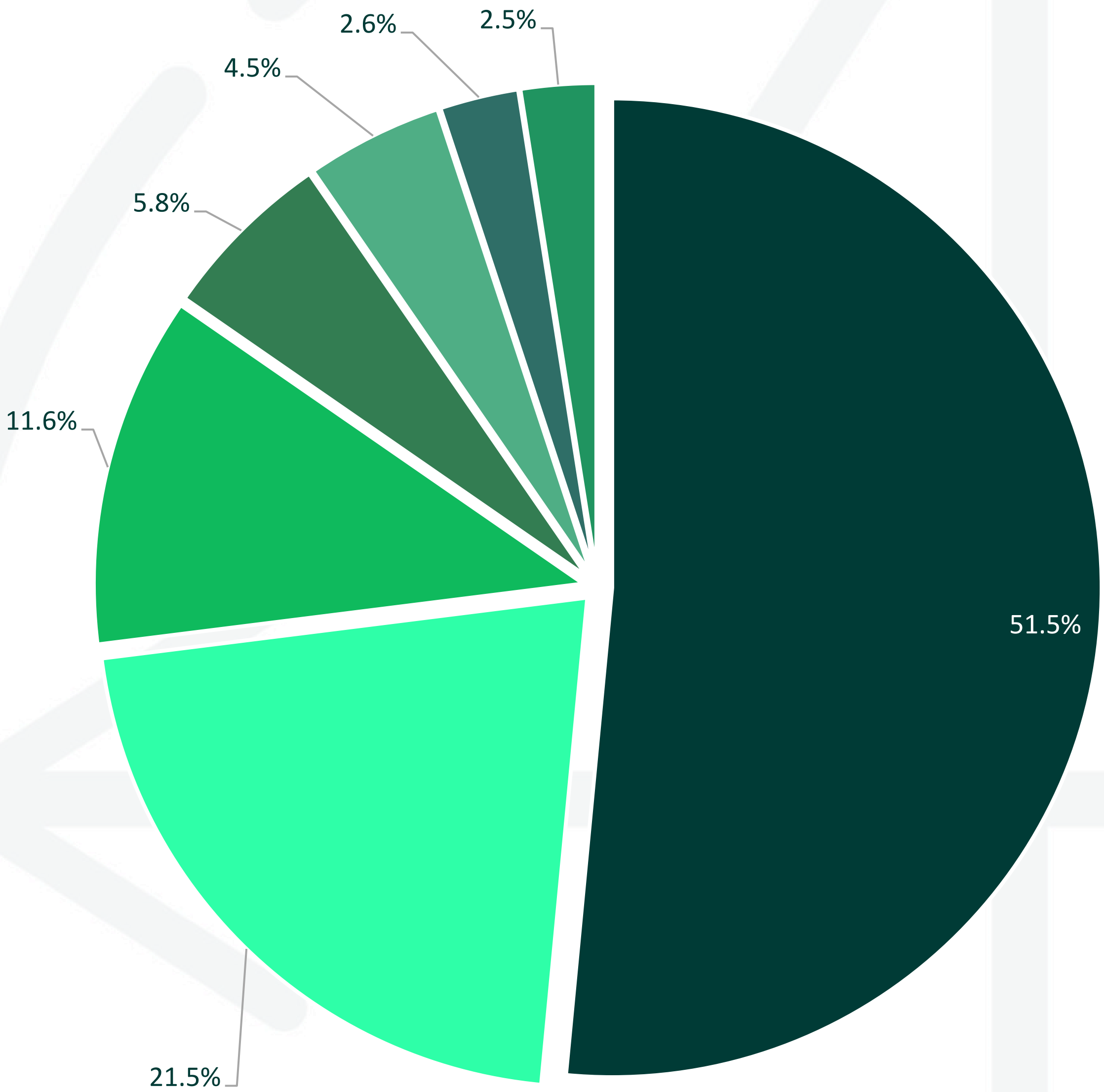
Emissions per Guest



Scope 1 & 2 | Scope 3 non-procurement | Scope 3 procurement

Our intensity metrics are based on 30.2 FTEs (full-time-equivalent employees); 218 events delivered; 33,605 guests; and a revenue figure of £8.5MM.

Our Carbon Footprint.



Emissions can also be considered by category rather than Scopes.
We have measured our scope 1, 2, upstream scope 3, and downstream non-product scope 3 emissions.
These categories appear in our footprint:

- Food and drink products for events
- Hire of production, equipment, flowers etc for events
- Other Purchased Goods & Services
- Travel (Fleet, Business Travel, Commuting & WFH)
- Capital Expenditure
- Fuel and Energy Related Emissions
- Utilities

Our reduction targets

Our Targets.

What does Net Zero mean in practice?

To achieve Net Zero, we will be aiming to reduce emissions in line with the latest guidance from the Science-Based Targets Initiative (SBTi). Targets are defined as “science-based” when they align with the scale of reductions required to limit global temperature increases to 1.5°C compared to pre-industrial temperatures. For most organisations, Net Zero involves reducing emissions by at least 90% by the target year, which should be no later than 2050. SBTi recommends that organisations commit to near-term targets (that cover a minimum of 5 years/maximum of 10 years from the baseline year), as well as the long-term (Net Zero) targets.

Why follow SBTi guidance?

Adopting the Science-Based Targets initiative (SBTi) framework ensures our decarbonisation efforts are aligned with the latest climate science and global best practices. The SBTi provides a clear, credible pathway for reducing emissions at a pace and scale consistent with limiting global warming to 1.5°C.

Near-term targets at By Word of Mouth across each scope have been set with ambition, while recognising that enhanced procurement data quality shall better enable us to establish our decarbonisation pathway and may lead to a target adjustment. The long-term Net Zero target at By Word of Mouth is aligned with SBTi guidance.

What’s the difference?

Net zero
When a business has reduced its Scope 1, 2 and 3 emissions by as much as possible, leaving only ‘residual’ emissions, which cannot be removed. Current guidance from the SBTi states that for most businesses, this means a total reduction in emissions across all scopes by ~90%. Carbon removals should then be used to neutralise the residual emissions.

Carbon neutral
A carbon neutral business has committed to reducing emissions, and in the meantime balances its remaining emissions through carbon removal/ offsetting schemes.

Zero emissions
When no carbon is produced directly from a particular activity, product, or service (such as the running of an electric van or an electric cooker on electricity produced through solar power).

Our Targets.

While our official targets will be finalised once we establish a verified base year using 2025 emissions data, we anticipate setting the following near-term targets:

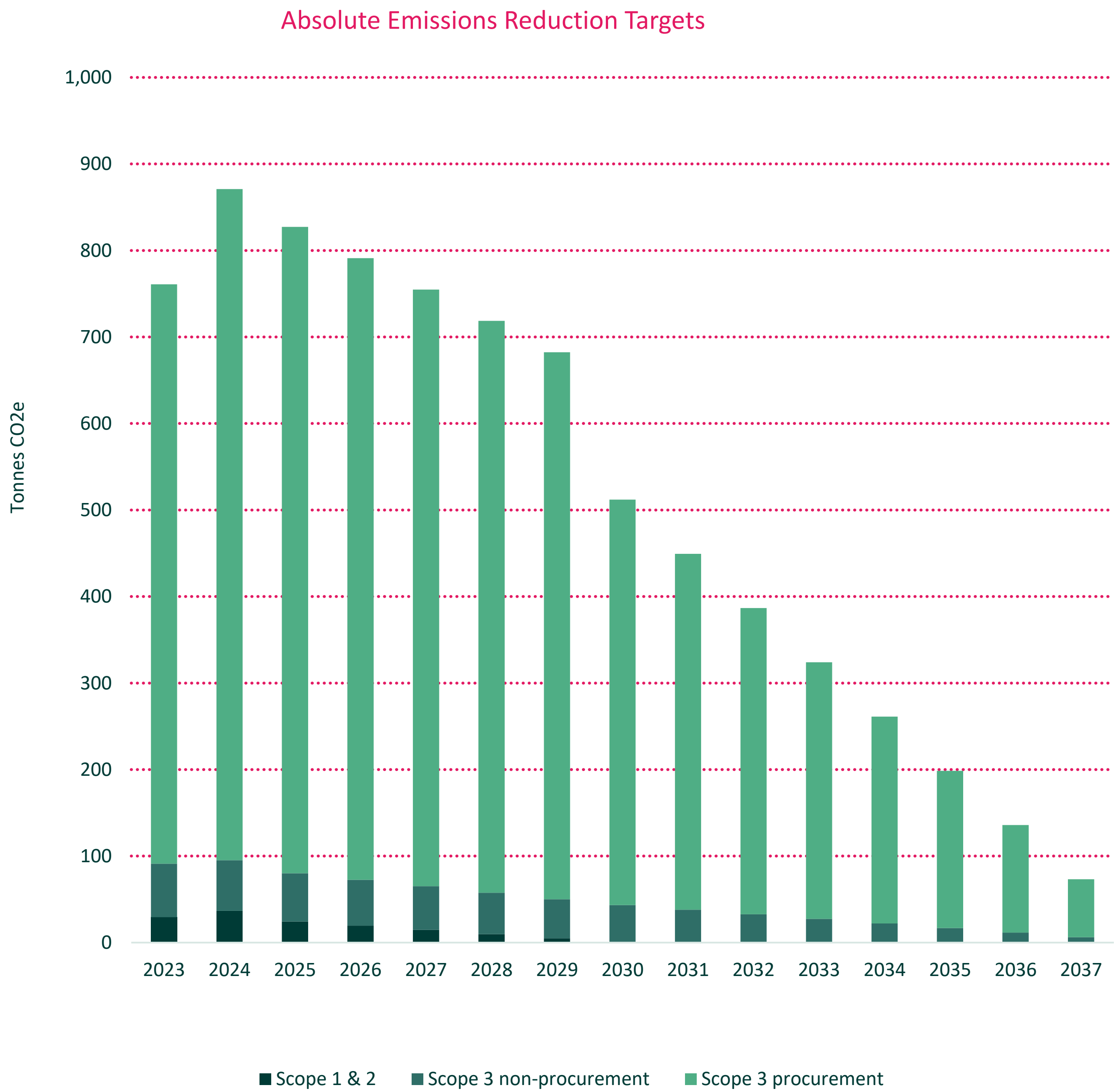
- Reduce scope 1 emissions to zero by 2030
- Reduce scope 2 emissions to zero by 2030
- Reduce scope 3 emissions by 30% by 2030

By Word of Mouth aims to reach Net Zero by 2037

Absolute Emissions: Progress & Targets.

We are able to see how much carbon emissions we have to reduce each year by applying each of our carbon reduction targets to our current measured emissions.
2023 and 2024 emissions are actual disclosures, all other years are linear reduction requirements to achieve our goals.

The graph shows that to reach our linear emissions reductions targets, we must achieve a >90% reduction in scope 1 & 2 emissions by 2030; and an annual reduction of 14% across scope 3 emissions to 2037.



Carbon Intensity: Progress & Targets.

In addition to reporting our annual footprint as an absolute emissions figure, we will also report our carbon intensity (in emissions per event). It is important that we measure both to accommodate any changes in the growth of our organisation. This will also allow us to align with the latest Net Zero guidance more effectively as it evolves over time.

Our Net Zero strategy

Our Net Zero Strategy.

To turn ambition into action, we have organised our Net Zero Strategy into six practical focus areas:

- Energy
- Transport
- Procurement
- People & Culture
- Products & Impact
- Monitoring & Reporting

These areas reflect where we can make the most meaningful changes across our operations and value chain. Within each focus area, we've defined clear Primary Objectives, the strategic goals that guide our decarbonisation efforts, and broken these down into tangible actions aligned with the phases of Assessment, Planning, Implementation, and Monitoring.

Steps we’ve already taken.

There are a number of steps that we have already taken to reduce our carbon footprint across our key focus areas.
These include:

- Reducing the number of company vehicles in operation
- Transitioned passenger vehicle fleet to battery electric
- Delivered Carbon Literacy training to employees
- Regular delivery of carbon awareness training for teams
- Highlighted lower-carbon offerings on menus
- Engaged with our supply chain to encourage Net Zero progress

Energy.

There are two different types of energy being used by By Word of Mouth: natural gas and electricity.
These energies are used to power and heat our offices and kitchens, and provide fuel for our kitchen appliances.
Emissions from these activities are categorised under scopes 1 and 2 in our footprint.

Between 2023 and 2024, we saw a 2.3% reduction in electricity usage, but a 16% increase in natural gas consumption across our premises.

To address our energy emissions and support long-term decarbonisation, we have identified the following set of primary objectives:

- Procuring energy via renewable contracts and encouraging venues to do the same
- Improving energy efficiency at the premises
- Consider the installation of solar PV at our premises
- Transitioning our kitchen appliances away from natural gas (Already underway)

These objectives work together, alongside external factors such as grid decarbonisation, to lower emissions, improve resilience, and embed sustainability into our long-term energy strategy.

Transport.

Our transport-related emissions include those associated with the GHG categories *Mobile Combustion*, *Business Travel* and *Employee Commuting*. Between the first reporting year and the second, our Mobile Combustion emissions increased by 56% (+5.7 tCO_2e), whilst our Business Travel emissions increased by 45% (+4.6 tCO_2e). Employee Commuting emissions decreased by 6% (-1.0 tCO_2e).

We understand that our transport-related emissions increased due to a significant increase in the number of events delivered outside of London. This required further distances to be travelled more frequently, compared to 2023.

We anticipate a continued annual increase in the number of events delivered outside of London.
To address these emissions and support long-term decarbonisation, we have identified the following set of primary objectives:

- Fleet efficiency improvements and decarbonisation (Already underway)
- Grey fleet decarbonisation
- Use of Sustainable Transport Modes and Accommodation (Already underway)

Procurement.

Our procurement of goods & services currently makes up 89% of our total emissions. Procurement emissions include those categorised under Purchased Goods & Services, Capital Goods and Upstream Transportation and Distribution.

In order to reduce the emissions associated with the goods and services that we purchase from other organisations, we will be focusing on the following primary objectives:

- Integrate Sustainability into New Supplier Selection
- Annually Collect Supplier Sustainability Data
- Set Targets for Procurement Teams and Suppliers
- Update Contracts and Policies for Supply Chain Decarbonisation
- Encourage Clients to Select Lower-Carbon Alternatives for Meals.

These actions will impact our procurement emissions indirectly, and so we have not calculated reduction estimates for each objective. We will be aiming for a reduction in procurement-related categories in line with our 2030 reduction target, which is expected to be 30%. As we gather more information about our suppliers and their sustainability credentials, we will be able to refine our forecasts.

People & Culture.

Achieving Net Zero is not only a technical and operational challenge; it also requires a fundamental shift in organisational culture, values, and behaviours. While emissions reductions can often be traced to systems, assets, or procurement decisions, the success of these interventions ultimately depends on the people who design, implement, and interact with them each day.

To ensure we have a company culture conducive to achieving our sustainability targets, we are committed to embedding climate awareness, accountability, and engagement throughout the organisation. From leadership structures and policy frameworks to staff training and benefit programmes, these initiatives are designed to build internal capacity, align employee incentives with sustainability goals, and create a shared sense of purpose.

To improve our company culture and ensure our workforce is capable and motivated to implement the other actions within our strategy, we will be focusing on the following actions:

- Propel the internal delivery of Carbon Literacy training, such that this is accessed by more employees and all leadership
- Continue to provide carbon awareness training for employees
- Updating our Company Policies for Procurement and Travel
- Ensuring accountability across the business
- Increasing the communication of our carbon reduction plan across the business

Products & Impact.

As well as taking action to reduce emissions in our operations, we are committed to implementing actions that will reduce our clients' impacts through sustainable solutions and engagement.

Here we are committing to two key objectives:

1. Promoting Sustainable Options

2. Client Engagement

These objectives aim to position us as leaders in our industry as well as stenghten our relationships with our suppliers and our customers. Menus created by By Word of Mouth currently promote plant-based and local food and drink options, by highlighting those choices. We hope to provide further sustainability detail to clients by presenting data of the estimated carbon emissions per meal.

As By Word of Mouth measures its whole downstream carbon emissions into the future, we seek to engage with our clients further and encourage sustainable travel to & from venues.

Although some of these actions will indirectly impact our carbon footprint, all are vital to the success of our Net Zero strategy.

Monitoring & Reporting.

Monitoring and reporting are essential to understanding how effectively we are progressing towards our Net Zero targets. By consistently measuring our emissions and tracking the delivery of actions, we can ensure we're making informed decisions and staying accountable to our goals.

To improve our sustainability data monitoring and reporting, we will be implementing actions within the following areas:

- Improving our Organisational Footprint Measurement
- Using Accreditations to Communicate our Impact
- Undertaking detailed carbon footprint assessments of our meals
- Engaging with our suppliers to gather annual supplier-specific carbon emissions data

Summary

We are proud of our progress to date and are committed to measuring our emissions annually, with an aim to achieve Net Zero by 2037.

Although emissions increased from 2023 to 2024, we understand that this was due to an increase in the total number of events delivered, with a particular increase in events delivered outside of London. At By Word of Mouth, we have recognised potential pathways to limit emissions while satisfying this demand.

Making a positive impact is part of our culture, and our roadmap provides feasible steps to help us protect our planet at pace. Engagement is a vital piece of our climate puzzle, and we remain committed to engaging, educating, and inspiring change amongst our colleagues, suppliers, customers, and wider networks.

Whilst we reflect on our accomplishments to date, we look forward to further opportunities to instigate change that will benefit our planet and people for generations to come.

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