Net Zero Annual Report By Word of Mouth

Reporting Year 2025

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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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Why we're taking action

Why we're taking action.

The climate crisis is one of the most pressing challenges we face, and small businesses have a real part to play in tackling it.
Even as a smaller organisation, reducing our footprint matters if we are to achieve the +1.5 °C or +2 °C maximum warming targets and avoid the worst impacts on our planet and the people who depend on it.

By Word of Mouth recognises the impact our own operations have on the environment, and we are committed to reducing our carbon footprint while influencing our value chain to take action.

In 2024, we partnered with Positive Planet to measure our emissions and formalise the journey to Net Zero. Since then, we have been working to collect data, measure our emissions, improve data quality, and engage with our team and suppliers to maximise our impact.

This document outlines our annual carbon footprint emissions, the methodology applied, and our near-term targets as we progress towards our target of Net Zero emissions by 2037.



The Intergovernmental Panel on Climate Change (IPCC) concluded that human activities have increased global surface temperatures by +1.2°C above 1850-1900 levels (Forster et al., 2024). This increase in temperature is already having adverse effects in the UK and 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.

Forster, P. M. et al., (2024) *Indicators of Global Climate Change 2023: annual update of key indicators of the state of the climate system and human influence, Earth Syst. Sci. Data, 16, 2625–2658, https://doi.org/10.5194/essd-16-2625-2024, 2024.*

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 three reporting periods: Calendar Years 2023, 2024, and 2025.

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.

Since the 2024 period, we have engaged with our supply chain to understand our suppliers' readiness and engagement with Net Zero. There has been a steady improvement in the capture rate of valid supplier responses, with 6 of our key suppliers providing their emissions data for the 2025 reporting period, representing >30% of our production-goods expenditure. The emissions associated with those suppliers were included in the carbon footprint calculations at By Word of Mouth.

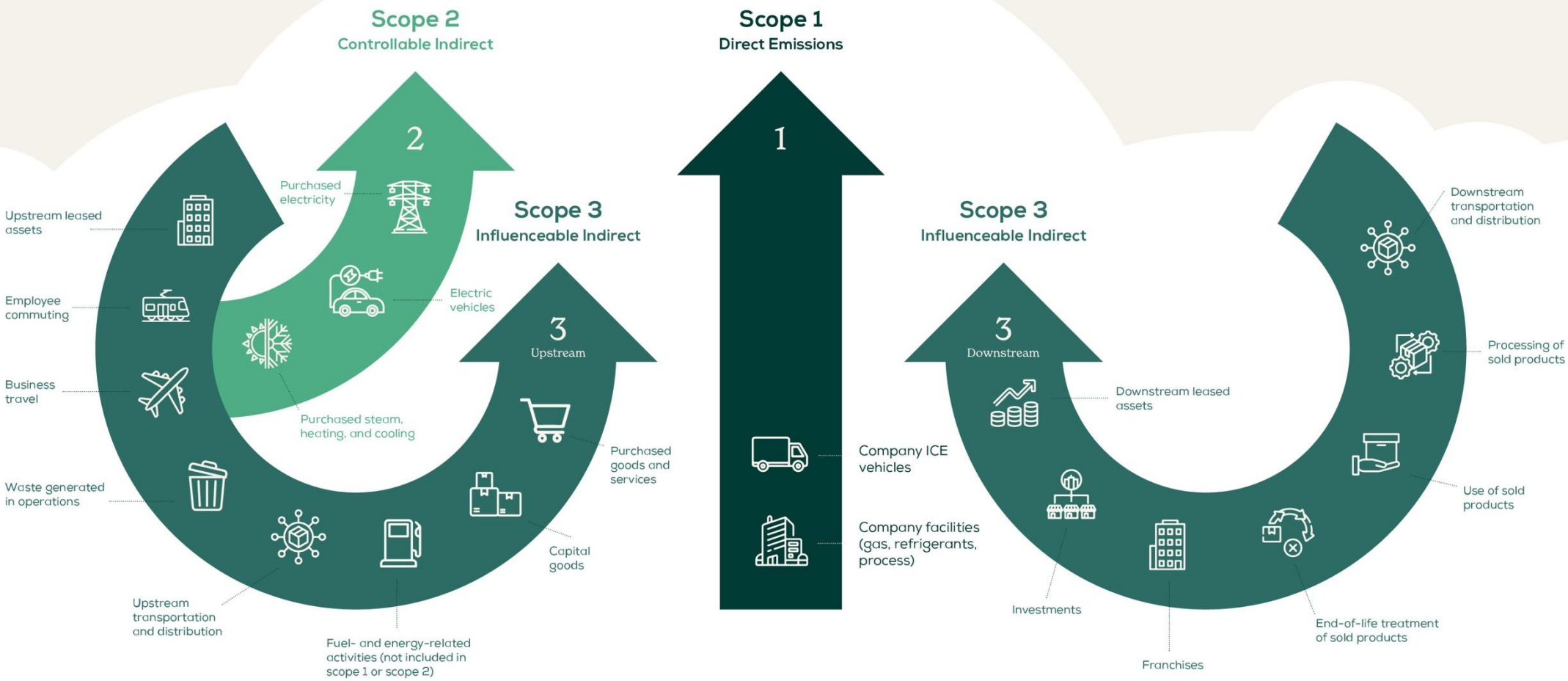
By Word of Mouth is committed to maintaining a meaningful account of its progress towards Net Zero. When relevant, we currently apply an approach to restate the baseline emissions and most recent year of emissions to allow for improved precision when assessing carbon reductions. Such action may be considered relevant when carbon accounting guidance and emissions factors provided by external bodies such as DEFRA and GHG Protocol are changed due to improvements in data quality, calculation methods, and industry best practices.

Previously disclosed emissions for the baseline period and previous period (2023 and 2024) have since been restated.



CO_2 CH_4 N_2O HFCs PFCs SF_6 NF_3

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Upstream Activities | Reporting Company | Downstream Activities

Our Carbon Footprint.

Current Reporting Period

1st January 2025 to 31st December 2025

Emissions by Scope

Scope 1 – 29.9
Scope 2 (Location-based) – 28.2
Scope 2 (Market-based)* – 8.8
Scope 3 – 973.9

High-impact Activities:

- Procurement
- Utilities (Gas & Electricity)
- Travel (Fleet, Commute, Business Travel)

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	13.4
Mobile Combustion	8.4
Fugitive Emissions	8.1
Process Emissions	0.0
Electricity (Location-based)	28.2
Electricity (Market-based)	8.8
Heat & Steam	0.0
Purchased Goods & Services	873.6
Capital Goods	43.7
Fuel- and Energy-Related Emissions	20.1
Upstream Transportation and Distribution	3.9
Waste Generated in Operations	0.5
Business Travel	13.4
Employee Commuting	18.6
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	1,012.5
Location-based Total	1,031.9

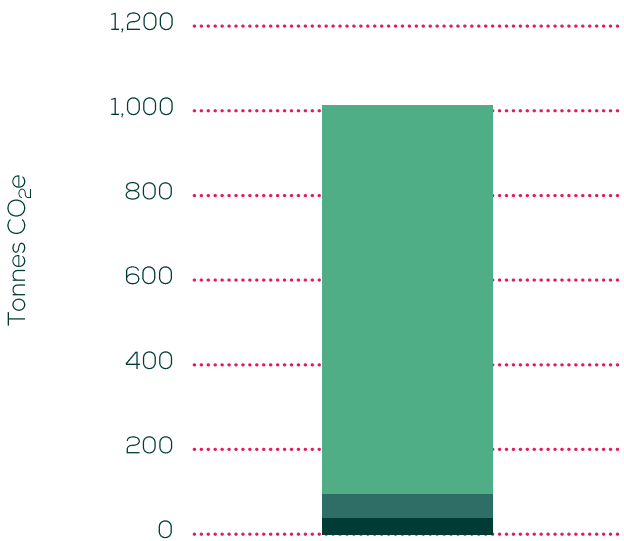
1,012.5 tCO_2e
29.3tCO_2e per FTE
0.12 $kgCO_2e$ per £ Revenue

Scopes 1 & 2
38.7 tCO_2e

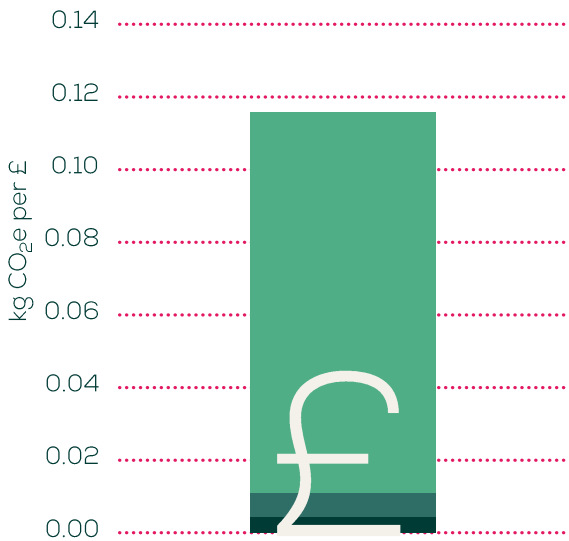
Scope 3 non-procurement
56.5 tCO_2e

Scope 3 procurement
917.3 tCO_2e

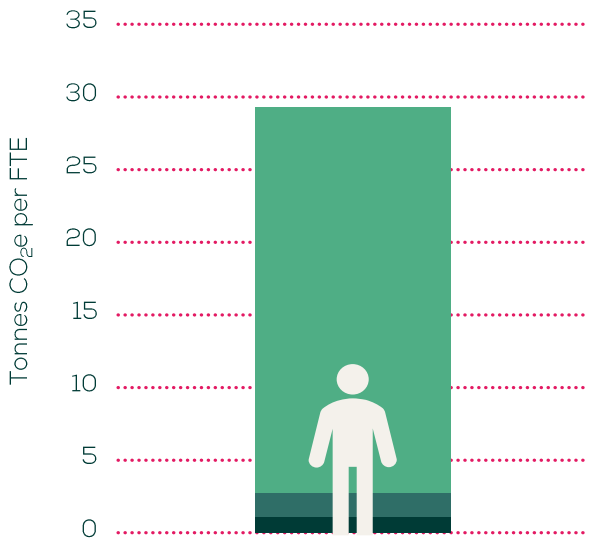
Total emissions



Emissions per £ Revenue



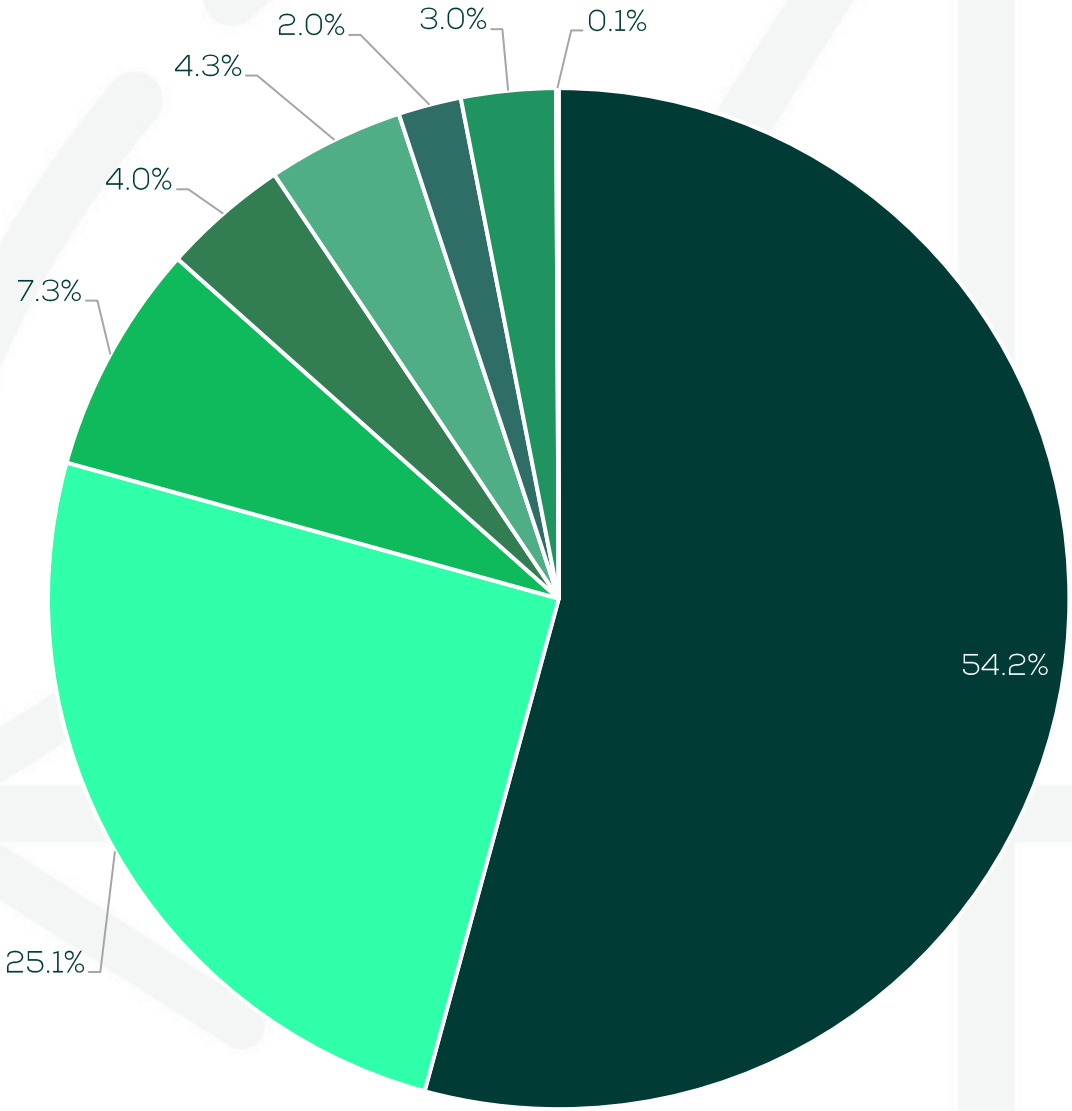
Emissions per FTE



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

Our intensity metrics are based on 34.6 FTEs (full-time-equivalent employees) and a revenue figure of £8.8MM.

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**
- **Distribution**

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 well below 2°C, and ideally no higher than 1.5°C compared to pre-industrial temperatures, as outlined in the Paris Agreement.

For most organisations, Net Zero involves reducing emissions by at least 90% by the target year, which should be no later than 2050.

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:

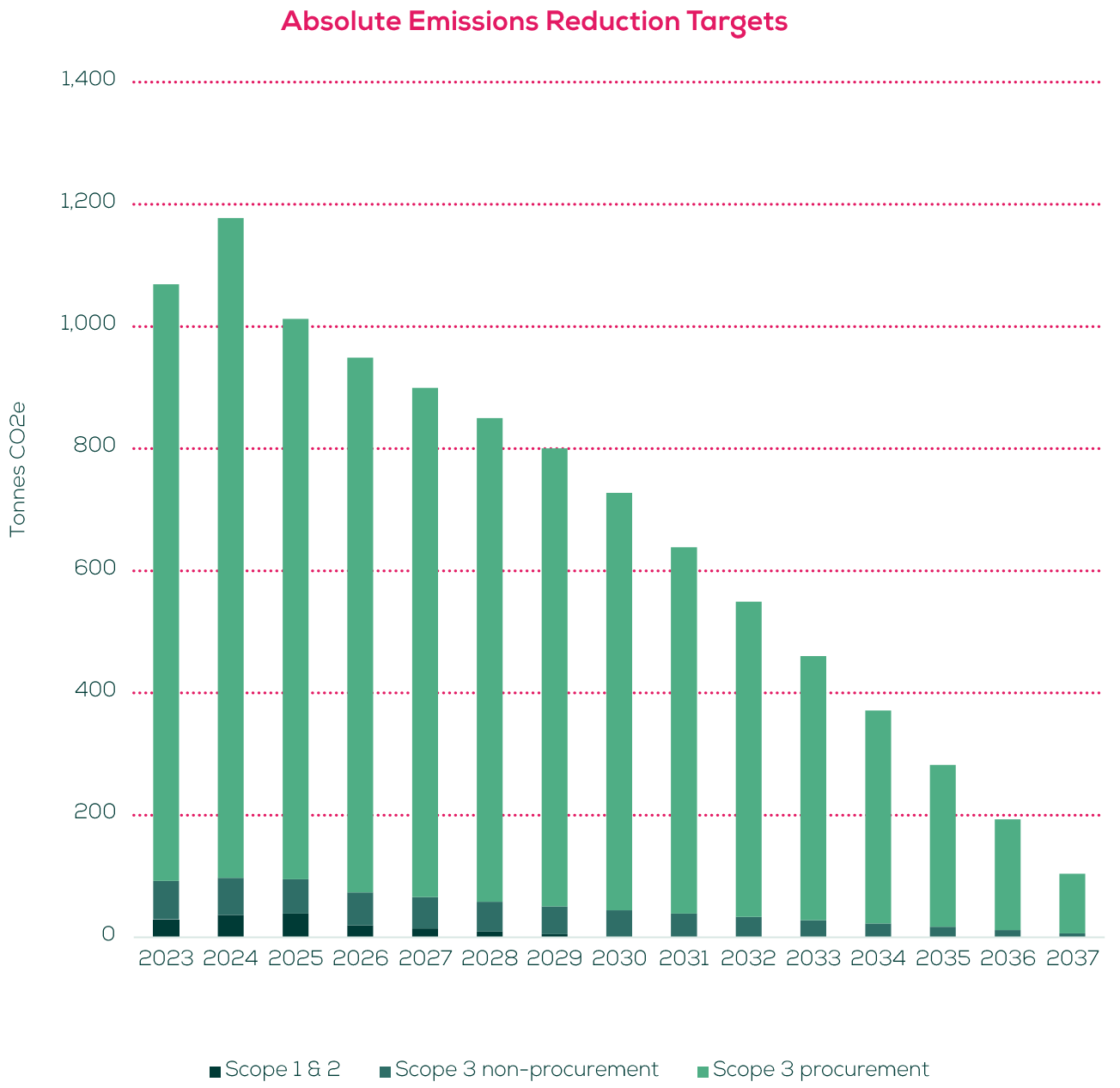
- Reduce scope 1 emissions to zero by 2030
- Reduce scope 2 emissions to zero by 2030
- Reduce scope 3 emissions by 30% by 2030

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, 2024, and 2025 emissions described in the chart are actual disclosures.

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. This rate of emissions reduction was achieved from 2024 to 2025, but must be maintained to succeed with our long-term target.



Annual emissions comparisons across each reporting category are available in the *By Word of Mouth Carbon Footprint Report – FY25*

Carbon Intensity: Progress & Targets.

In addition to reporting our annual footprint as an absolute emissions figure, we also report our carbon intensity (in emissions per full time equivalent employee). 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.

Carbon intensity at By Word of Mouth has decreased by 12% since the baseline period, and by 25% since the previous period.

Emissions per Employee Reduction Targets



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:

- Reduced the number of company vehicles in operation
- 49% reduction in company petrol and diesel consumption since 2024
- Annual reduction in electricity consumption (-6% vs 2023)
- Transitioned passenger vehicle fleet to battery electric
- Delivered Carbon Literacy training to some employees
- Regular delivery of carbon awareness training for teams
- Highlighted lower-carbon offerings on menus
- Worked with suppliers to encourage Net Zero progress
- Engaged with our clients to understand the appetite for including carbon values for menu items



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.

While our consumption of gas has increased +17% since 2023, we have achieved an annual reduction in electricity usage in each reporting period. We are committed to reducing our gas consumption in the near-term, and currently operate a low-carbon electricity tariff to limit the carbon intensity of our energy demand.

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

- Encouraging venues to procure energy through renewable contracts
- Procure electricity through a 100% zero carbon tariff by 2027
- 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 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*.
Since the baseline reporting period, our Mobile Combustion emissions decreased by 18%, which is a 47% reduction (-7.6tCO_2e) compared to the peak in 2024.
Our Business Travel emissions slightly increased (+1.4 tCO_2e) compared to the baseline period, but were 30% lower (-5.8tCO_2e) than in 2024.
Employee Commuting emissions have remained fairly stable throughout each reporting period (19.1tCO_2e, 17.2tCO_2e, 18.6tCO_2e for 2023, 2024, 2025 respectively).
Overall, Transport emissions at By Word of Mouth have decreased 2% since the baseline period and -23% since 2024.

The most significant change to impact our Transport emissions has been the electrification of our fleet and the shift to reduce annual diesel & petrol consumption. We are committed to continuing with this action, with a view to operate a zero emission fleet by 2030.

Despite actions to limit the carbon intensity of our controlled fleet, there will remain an impact from business travel – particularly when delivering our services 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
- Sustainable Transport Modes and Accommodation (Already underway)

Procurement.

Our procurement of goods & services currently makes up 91% 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 (Already underway)
- 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 Organisation

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 stengthen 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 within the menu. 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 (Already underway)

By Word of Mouth is committed to ensuring its annual carbon emissions reporting is consistent, and currently applies a policy to restate the baseline and previous year's emissions whenever there are significant updates to the methodology or emissions factors.

Summary

We are pleased to report a 14% reduction in emissions compared to 2024, and a 5% reduction compared to our baseline year.
By Word of Mouth remains committed to pursuing carbon efficiency across its operations while maintaining high standards, with an aim to achieve Net Zero by 2037.

By Word of Mouth has successfully reduced emissions year-on-year, whether viewed through the lens of absolute emissions or in terms of carbon efficiency (per FTE or per £ of turnover). We recognise that we must maintain this pace of carbon reduction if we are to achieve our ambitious targets, and we have several actions in the pipeline to help us succeed.

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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