

Our Net Zero Routemap

Carbon reduction targets,
and corporate activities.



Welcome to our Net Zero Routemap

We are delighted to present our Net Zero Routemap. This key document sets out what we've done so far on our journey to Net Zero and outlines the steps we plan to take to help tackle the climate emergency, all with the ultimate aim of becoming a Net Zero, climate-resilient business by 2050.

Around the world, more than 70 governments have now set targets to reach Net Zero. Waterman Group is committed to delivering a Net Zero built environment and realises the moral imperative as well as the wide-reaching social and economic benefits of transitioning towards a low-carbon economy.

Recognising that the built environment is responsible for around 40% of global carbon emissions, we will continue to drive the rapid decarbonisation of our operations and value chain, whilst accelerating the shift to a Net Zero economy through the sustainable solutions we deliver for our clients every day.

The impact of climate change on our planet has never been more apparent and the scientific consensus is clear: we must reduce our emissions rapidly now to safeguard future generations from climate catastrophe.

By supporting and driving sustainability inside and outside our business today we will help to create a greener, cleaner tomorrow.

Alex Steele
CFO and Net Zero Steering Group Sponsor

The printing of this document

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Meet our Net Zero Steering Group

Drawn from across our business, our Net Zero Steering Group all share a passion for sustainability and are working together to help secure a Net Zero future for Waterman.

From finance to facilities management and from climate resilience to communications, each member brings unique skills to the group, helping to embed the Net Zero agenda throughout our working practices and operations.



Alex Steele
Chief Finance Officer



Dave Allen
Technical Director



Mark Nuckey
EHSQ Director

Philip Varney
Group FM Director



Chris Young
Director



Drew Stewart
Senior Consultant



Luke Himpson
Head of Financial Reporting



Nick Pilcher
Head of Content

Our Commitments

In 2022 we joined the Pledge to Net Zero which requires its signatories to set science-based targets to tackle their GHG emissions. A partner to the UN's Race to Zero campaign, the Pledge recognises the need for those in the environmental sector to demonstrate leadership and take strong action to mitigate the most significant impacts of climate change.

Our science-based targets were submitted to the Science Based Targets initiative (SBTi) in 2022 for validation and were approved in April 2023.

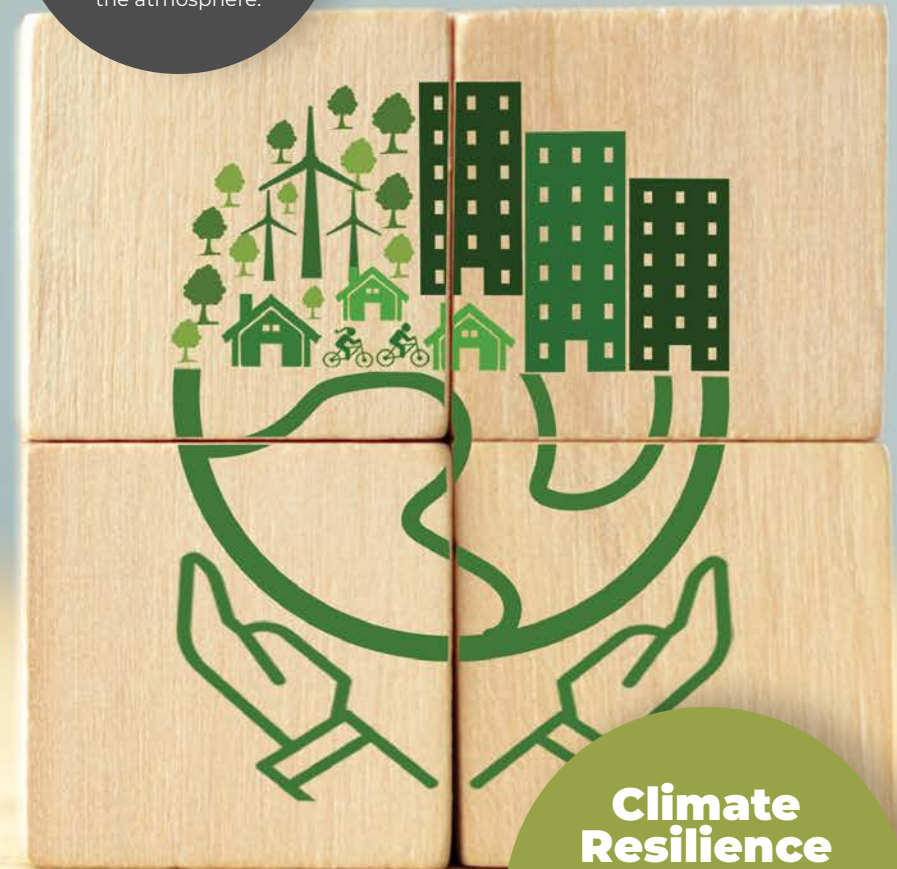
We have set a target to reduce our Scope 1 and 2 emissions by 80% and reduce our Scope 3 emissions by 50% by 2030. This reduction will be measured against a 2019 baseline established across our entire value chain.



We have also started to implement the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) on a voluntary basis to help build climate resilience into the governance, strategy and risk management of our organisation. As part of this work, we have undertaken a full TCFD Gap Analysis of our business and a climate risk assessment using scenario analysis under different climate scenarios to assess our climate-related risks and opportunities in the short, medium and long term.

Net Zero

Refers to a state in which the greenhouse gases going into the atmosphere are balanced by removal out of the atmosphere.



Climate Resilience

The ability to prepare for, withstand, and recover from the challenges presented by physical climate change impacts and societal change in response to the changing climate.

Planning our Net Zero future

In committing to reducing our carbon emissions, this Routemap outlines how we plan to achieve Net Zero emissions by 2050, across the full value chain of our corporate activities in the UK, Ireland, Australia and India.

Establishing our carbon emission baseline

Our baseline was established in 2019 by an independent third party and validated by the Science Based Targets initiative (SBTi). Each year we publish our greenhouse gas (GHG) inventory, or 'carbon footprint', in line with the GHG Protocol 'Corporate Accounting and Reporting Standard'. We are currently in the process of commissioning a third-party audit partner to assure our annual footprinting process.

The 2019 baseline data is set out in the table below, in conjunction with our 2030 target.

Our Carbon Footprint in Metric Tonnes - CO₂e

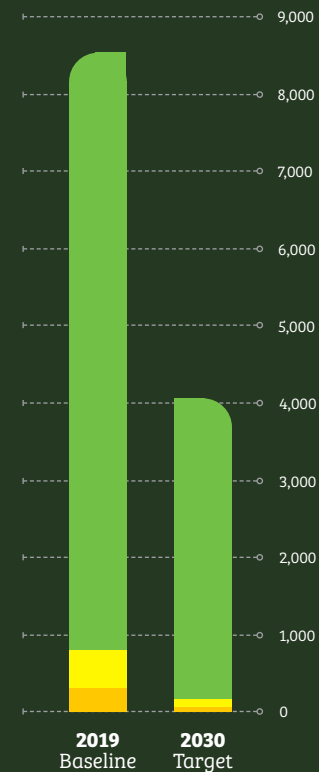
	2019 Baseline	2030 Target
Scope 1	275	55
Scope 2	482	96
Scope 3	7,752	3,876
Total	8,509	4,027

Definitions

Scope 1 Includes direct GHG emissions occurring from sources that are owned or controlled by the company, such as emissions from combustion in owned or controlled boilers, furnaces, vehicles, etc.

Scope 2 includes GHGs emitted from the generation of purchased electricity consumed by a company. Scope 2 emissions physically occur at the facility where electricity is generated.

Scope 3 includes indirect emissions that occur as a result of a company's activities, but from sources that are not owned or controlled by the company. These emissions arise from the company's entire value chain which include upstream and downstream activities such as purchased goods, employee commuting and use of sold products and services.



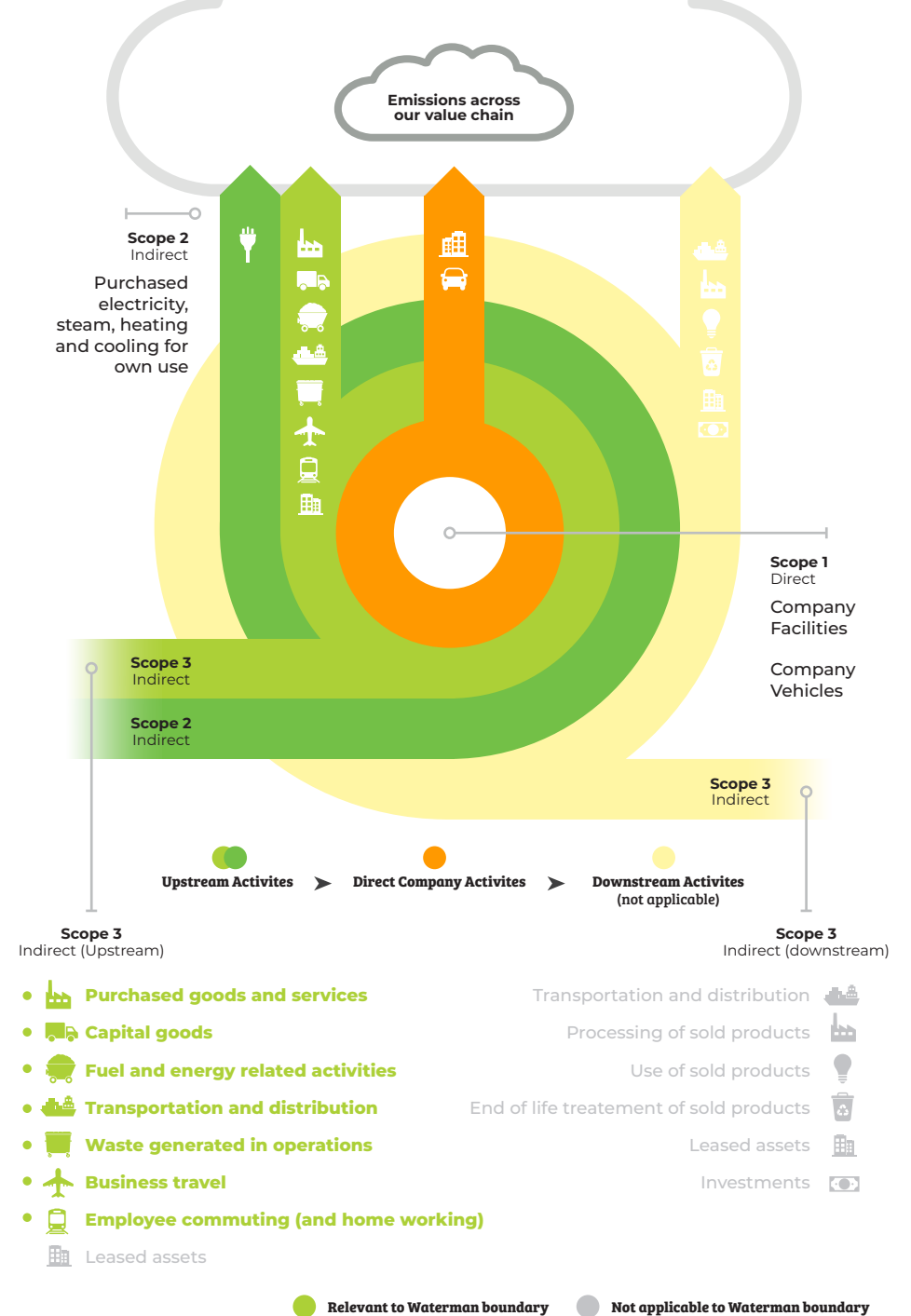
Waterman Group has permanent offices in the UK, Ireland, Australia and India.



Our Approach

Greenhouse Gas Emissions Calculation Boundary

We provide consultancy services throughout the complete lifecycle of built environment assets from initial surveys and concept planning through to design, delivery, project management, supervision and on-going maintenance. However, we do not directly undertake construction ourselves nor do we manufacture any products. Therefore, our boundary is essentially the direct emissions from our company offices and company cars, purchased electricity for powering our offices and upstream emissions relating to our supply chain (as identified in the Figure).



Our main Scope 1, 2 and 3 Greenhouse Gas Emissions include:

Scope 1

- Stationary combustion including natural gas
- Mobile combustion through transport fuels
- Refrigerants (fugitive emissions)

Scope 2

- Electricity to operate buildings and facilities

Scope 3

- Purchased goods and services
- Employee commuting
- Business travel from air, rail and car travel

Our carbon footprint baseline reflects our assets and corporate emissions between 1 January – 31 December 2019 and was calculated using the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard.

99% of Waterman's Scope 1 and 2 emissions are included within our target boundary which includes operational carbon emissions for owned and leased assets, offices and facilities.

Similarly, 99% of our Scope 3 emissions are captured, with the largest categories comprising purchased goods and services (55%), employee commuting (17%) and business travel (13%).

Key Pillars of our Routemap

To achieve our corporate decarbonisation targets by 2030, we'll be focusing our efforts on four key areas: real estate, travel, supply chain and internal engagement.

We plan to:

Real Estate

Decarbonise our existing offices and ensure energy efficiency and GHG emission reduction potential influence our future property considerations.

Travel

Decarbonise our existing grey fleet, reduce business travel where possible and develop a Travel Policy to support our Net Zero ambition.

Supply Chain

Engage with our suppliers to understand and influence their own emission reduction ambitions. Develop our procurement selection policy to favour suppliers with lower GHG emissions.

Internal Engagement

Improve our people's understanding of our commitments and increase engagement in our emission reduction initiatives.



Delivering our Net Zero commitments Scope 1 and 2

What's included in Scope 1 and 2?

Scope 1 consists of GHG emissions we create directly by operating our buildings and running our vehicle fleet, whilst Scope 2 emissions result from the generation of purchased electricity consumed by the company.

How will we reduce our emissions?

To deliver an 80% reduction by 2030 for Scope 1 and 2, we'll be focusing on how our facilities are powered and heated, whilst also decarbonising our vehicle fleet.

To achieve this, we're aiming to switch to 100% renewable electricity by 2024, halve our natural gas consumption by 2025 and transition our fleet to 80% electric vehicles by 2030.

Here's a closer look at each area:



Renewable Electricity

Renewable Electricity – Our ambition is to transition to 100% renewable energy by 2024 and increase energy efficiency measures.

- In 2022, approximately 57% of our total consumption was renewable energy.
- Where possible, we'll switch to renewable tariffs or purchase Energy Attribute Certificates where these are not available.



Natural Gas Reduction

We're aiming to halve our natural gas use by 2025. This can be achieved by:

- Switching 20% of natural gas heating to electric by 2025 where a renewable electricity source is available.
- Optimising buildings which are heated by gas, resulting in a 30% reduction by 2025.



Electric Vehicles

We're aiming for 80% of our fleet to be electric by 2030.

- We are exploring the feasibility of switching to EVs throughout our business.
- We are currently reviewing leasing dates of our current fleet and finalising details for the switch to EVs.

Delivering our Net Zero commitments Scope 3

What's included in Scope 3?

Scope 3 covers indirect carbon emissions, which for us predominantly arise from business travel, employee commuting and the goods and services we source from outside the business.

How will we reduce our emissions?

To deliver our reduction commitments for Scope 3, we'll be working closely with our supply chain partners to help them establish their own carbon reduction targets and embed sustainable practices. We'll also be focusing on reducing the impact of our business travel, commuting and courier journeys.

Here's a closer look at each area:



Bespoke Supply Chain Engagement

- We're planning to engage our top 60 purchased goods, services and capital goods suppliers (accounting for 50% of total supplier emissions) to encourage them to establish their own carbon reduction targets.
- More suppliers are likely to adopt their own carbon reduction commitments as understanding of sustainable procurement grows, which we estimate will yield a 2% year-on-year reduction in our GHG emissions.



Business Travel

We're working towards a 75% reduction in emissions from business travel by 2030:

- We're targeting a 55% reduction in emissions from travel, with a further 20% reduction from purchasing Sustainable Aviation Fuel (SAF) certificates, whilst the decarbonisation of public transport will further reduce the impact of the remaining travel.
- We're developing a Travel Policy to help our people meet these targets.
- We'll encourage the use of low carbon modes of transport where travel is essential.



Employee Commuting

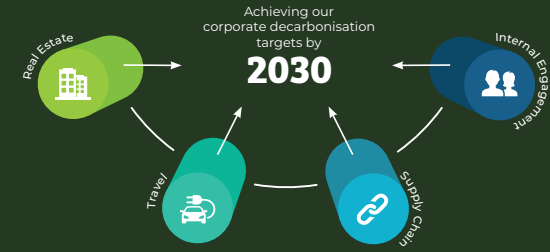
- Reduction in emissions from commuting by embracing hybrid working practices and supporting the selection of low carbon commuting options.

Closing the gap on Net Zero

Once we've delivered the initiatives identified across Scope 1, 2 and 3, we'll still have a little more to do to achieve Net Zero. This means we'll be continually reviewing our progress and raising our ambitions for our carbon reduction commitments.

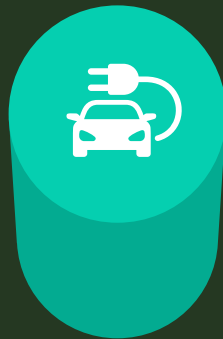
Key Pillars of our Routemap

Current Progress



Real Estate

With our offices contributing a significant percentage of our overall footprint, we've improved our energy data collection methods, whilst continuing our programme of energy audits across our portfolio. When we're moving to new rented premises, we'll ensure that energy performance is fundamental to our decision making, targeting offices with an energy performance rating of B or above. We're also committed to investigating whether Green Lease agreements or similar arrangements can be put in place with our landlords, and we'll be continuing this drive towards greening our real estate footprint going forward.



Travel

After undertaking a staff travel survey to establish the frequency, distance and carbon impact of our people's business journeys, we're now introducing a corporate travel policy to support our carbon reduction ambitions. To drive awareness and provide support for this, we'll be delivering an employee engagement campaign aiming to avoid non-essential travel, reduce the carbon emission impacts of the journeys our people make and encourage the uptake of less carbon intensive travel methods.

We're in the process of establishing lease agreements for electric vehicle procurement which we intend to roll out to our teams in 2024.



Supply Chain

To provide a framework for reducing the carbon footprint of our procurement choices, we're developing an internal sustainable procurement policy spanning all types of supplier. We'll also be working with our supply chain partners to help them get started on their own carbon reduction journeys.



Internal Engagement

We recognise the vital role our people will play in helping us achieve our Net Zero commitments, and that's why we're delivering a range of engagement initiatives to boost our people's knowledge in this area and inspire impactful change.



Inspiring our people

Webinars

We hold regular internal webinars sharing updates on our Net Zero progress. These inform our people of any updates, and are also their platform for sharing new ideas, offering insights and outlining proposals to help meet our ambitious targets.

Net Zero Training

We plan to incorporate Net Zero training into our induction process to ensure people joining our team are aware of our climate commitments and know how they can help us achieve them.

Business Travel & Commuting

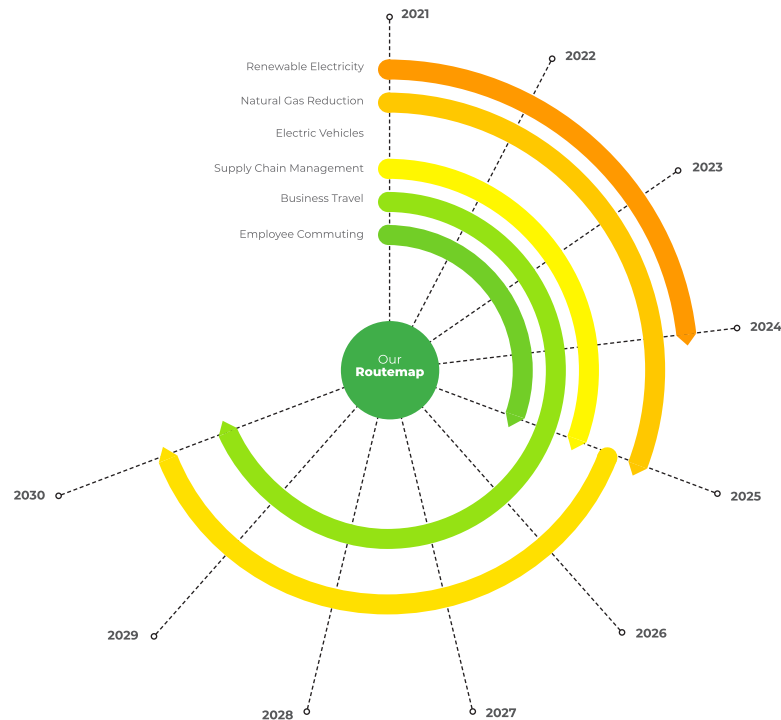
We've carried out group-wide commuting surveys and plan to share regular updates highlighting the impact of choosing sustainable modes of transport whenever possible.

Digital engagement platform

We will be using a digital platform as part of our internal engagement programme to help engage and educate our people on sustainability and carbon. We're setting up a series of fun competitions and campaigns focused on our team's sustainability actions which is helping to encourage behavioural change.



Delivering our ambitions



Our journey to Net Zero

The next steps

As part of our journey to Net Zero, we'll be busy implementing the wide range of campaigns, policies and changes outlined in this Routemap.

All these activities are focused on one goal – achieving our interim target to reduce our carbon emissions resulting from operational business activities across our entire value chain by 2030 against a 2019 baseline, in line with the goal of limiting global warming to 1.5C.

Focused on six core areas, we've summarised our outline plans over the next seven years. We've made strong progress so far, and we believe that these initiatives, together with the ongoing support of our people, clients and supply chain partners, will ensure we achieve our climate ambitions and deliver a greener future for all.



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