WALTERLILLY

1924

CARBON REDUCTION PLAN

PPN 06/21 Report 2025

(R01 I 08/05/2026)

The emissions presented in this report are based on data provided by the Client to Scotch. While Scotch has relied on this data in good faith and adheres to the relevant guidance outlined in Section 1.4, the accuracy, completeness, and reliability of the d ata remain the sole responsibility of the Client. Accordingly, Scotch cannot accept liability for inaccuracies or omissions in the data supplied or for any actions, including the purchase of carbon offsets, taken based on the results of this report.

1. INTRODUCTION

1.1 Overview

Scotch Partners LLP (Scotch) has been instructed by Walter Lilly to complete a carbon reduction plan aligned with the requirements of Procurement Policy Note 06/21 (PPN 06/21) for its activities between 1st January 2025 – 31st December 2025.

In 2019 the UK became the first major economy to adopt a legal commitment to achieve net zero carbon emissions by 2050. To support this objective, the UK Government introduced PPN 06/21 in 2021 to reduce emissions within its supply chain. PPN 06/21 require s suppliers of government departments and associated bodies to create a Carbon Reduction Plan (CRP) and commit to achieving net zero by 2050 if they are bidding for contracts above an anticipated value of £5 million per annum (exc. VAT) which are subject to the Public Contracts Regulations 2015.

The CRP reporting period should be no more than 12 months prior to the date of commencement of the procurement. The CRP should then be reviewed and updated annually (for the same reporting period) within 6 months of the supplier's financial year end. The most recent CRP must be uploaded to a "prominent place" on the supplier's UK website. It is considered good practice to keep all previous CRPs on the supplier's UK website to monitor performance over time, although this is not mandatory. Appendix A contains a completed CRP template for website publication in line with PPN 06/21 guidance. The main body of this report provides additional information beyond the scope of PPN 06/21.

Walter Lilly is a progressive business who understand the importance of tracking emissions and delivering on decarbonisation across their practices to support the urgency of the climate change agenda. Walter Lilly has committed to achieve net zero carbon by 2040 for Scope 1 and 2 emissions and net zero carbon by 2050 for Scope 3 emissions. To achieve this goal, progressive reductions in carbon emissions will be required across their Scope 1, Scope 2 and Scope 3 carbon emissions.

1.2 Reporting Period and Base Year

This is the third year in which Walter Lilly has calculated their carbon footprint. Previous carbon footprints have been calculated for October 2022 – September 2023 and January 2024 – December 2024. Emissions were previously reported annually between October – September, however, Walter Lilly have now aligned their financial year with the calendar year and have chosen to update their reporting period as such. The period of 1st October 2022 – 30th September 2023 will continue to act as the baseline year. This report includes a comparison of the current and base years to show progress. A review of the carbon reduction plan has been carried out to ensure that emissions reductions are on track to meet targets.

1.3 Consolidation Approach

This assessment has been undertaken based on the operational control approach. The operational control approach accounts for all of a company's emissions over which it has operational control. It does not account for emissions from operations in which it owns an interest but does not have operational control. A full list of emission sources included within this assessment is included in Section 2.3.

1.4 Methodology

This report has been prepared in line with the GHG Protocol Corporate Accounting and Reporting Standard, the GHG Protocol Scope 2 Guidance and the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard. Emissions factors have been taken from the 2025 UK Government GHG Conversion Factors for Company Reporting, Walter Lilly 's suppliers and data tracking tools (MSite, Tracker+) .

The GHG Protocol Corporate Accounting and Reporting Standard requires that the following seven greenhouse gases, covered by the Kyoto Protocol, are accounted for within emissions inventories: carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF_6) and nitrogen trifluoride (NF_3). These are included within the emissions factors used here.

Throughout this document, 'emissions' refers to carbon dioxide equivalent emissions (CO_2e). Each greenhouse gas (GHG) has a unique global warming potential (GWP) value: for example, one tonne of methane will cause approximately the same amount of global warming as 27 tonnes of carbon dioxide (i.e., 27 tCO_2e). Presenting emissions as CO_2e allows for a company 's contribution to climate change to be quantified in one figure. 'Carbon' and 'emissions' are often used interchangeably to refer to all greenhouse gas emissions.

1.5 Overview of changes

1.5.1 Scope and Methodology

Since Walter Lily's 2024 carbon footprint report, a number of improvements have been made to both data collection processes and the scope of reported emissions. A key development has been the incorporation of MSite, which has strengthened data quality and consistency through the use of automatic capturing of data and carbon conversion factors. This has enabled more streamlined data tracking for Scope 3.7 Employee Commuting, and the inclusion of two new categories, Scope 3.4 Upstream Transport and Distributi on and 3.5 Waste Transport.

The two new categories have increased the overall scope of the footprint. Emissions associated with 3.4 Upstream Transport and Distribution were minimally reported during the baseline year but was excluded from Walter Lilly's carbon footprints in the following years due to lack of good quality data. Therefore, emissions from 3.4 Upstream Transport and Distribution have also increased the overall scope of the footprint, and has been classified as a 'new category' for this reporting year.

Looking ahead to the 2026 reporting year, Walter Lily is preparing to expand reporting further to include category 3.2 Capital Goods. This category is expected to have a significant impact on the total footprint and may require a re-baseline. This will be revisited once the data has been collected and reviewed .

1.5.2 Organisational Structure

In 2024, Walter Lilly was acquired by Wize Holdings, with changes to the business structure going into effect in 2025. While Walter Lilly continues to operate as an independent entity, some Walter Lilly employees have been centralised to the parent company, resulting in a decrease in employees and consequently, emissions, from October 2025.

2. EMISSIONS SOURCES

2.1 Definitions

The GHG Protocol categorises emissions into three scopes:

- **Scope 1:** Direct emissions from sources owned or controlled by the organisation (e.g., company fleet, natural gas, refrigerants);
- **Scope 2:** Indirect emissions from the generation of purchased electricity, steam, heating and cooling; and
- **Scope 3:** All indirect emissions (not included in Scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions (e.g., waste, business travel, employee commuting, distribution). Scope 3 is further subdivided into fifteen categories.

2.2 PPN 06/21 Requirements

The emissions boundary (i.e., the sources of emissions included within the carbon footprint and carbon reduction plan) has been pre-defined by the UK Government's PPN 06/21. All Scope 1 and 2 emissions and the following subset of Scope 3 emissions must be included, where applicable:

- **Category 4:** Upstream Transportation and Distribution;
- **Category 5:** Waste Generated in Operations;
- **Category 6:** Business Travel;
- **Category 7:** Employee Commuting; and
- **Category 9:** Downstream Transportation and Distribution.

2.3 Included Emissions Sources

In addition to the standard corporate emissions, Walter Lilly has included emissions associated with their construction projects (from the beginning of works until client handover) within their emissions inventory. This is because they have operational control of these emissions.

Scope 1: Direct Emissions

- **Natural Gas:** Natural gas is consumed on some project sites. Walter Lilly provided the m3 consumption data for the sites based on meter readings.
- **Other Fuels:** Diesel, kerosene and HVO are used on project sites, primarily in generators, plant and equipment. Walter Lilly provided the amount of diesel and HVO purchased within the reporting period in litres.
- **Refrigerants:** Walter Lilly purchased and rented refrigerant-containing equipment during the reporting period and provided consumption data in kg.

Scope 2: Indirect Emissions from Purchased Energy

- **Purchased Electricity:** Walter Lilly procures electricity for the buildings they occupy. Consumption data was provided in kWh by Walter Lilly. Walter Lilly's head office are supplied on a REGO-certified electricity contract. Emissions have therefore been presented using location-based and market-based approaches.
- **Site Electricity:** Walter Lilly uses electricity on site for construction works. This electricity is procured by Walter Lilly's own clients, however, Walter Lilly have operational control over this consumption. Some of Walter Lilly's projects are supplied on REGO-certified electricity contracts, and remaining projects are supplied on standard electricity contracts. Consumption data was provided in kWh by Walter Lilly and a location-based and market-based approaches were used to calculate emissions.

Scope 3: Other Indirect Emissions

- **Category 4 Upstream Transport and Distribution:** Materials are transported to Walter Lilly's construction project sites. The transportation of materials from the suppliers to the sites were captured on MSite and Tracker+, management platforms which track the vehicle types, mileage and provides the $kgCO_2e$.
- **Category 5 Waste Generated in Operations:** Waste is produced in Walter Lilly's offices and on project sites. Waste emissions were calculated based on data provided by waste disposal companies. Emissions from transportation of waste have also been included. Waste is transported in vehicles operated by Walter Lilly's waste contractors. The emissions data from transportation of waste was either provided directly by the waste carriers in $kgCO_2e$ or recorded and processed on Tracker+.
- **Category 6 Business Travel:** Business travel, excluding travel already included in Scope 1 or 2, is conducted in employee vehicles, via buses, trains, and on the tube. Mileage data was provided for each mode of transport. There were no air travel nor hotel stays in 2025.
- **Category 7 Employee Commuting:** Emissions from employee commuting were captured by MSite, a management platform which tracks employees checking in and out of sites and offices. MSite then provides the data in $kgCO_2e$, broken down by modes of transport (car, van, bus, or train).

2.4 Not Applicable Sources of Emissions

Scope 3: Other Indirect Emissions

• **Category 9 Downstream Transportation and Distribution:** This category is not applicable to Walter Lilly's operations.

3. SUMMARY OF RESULTS

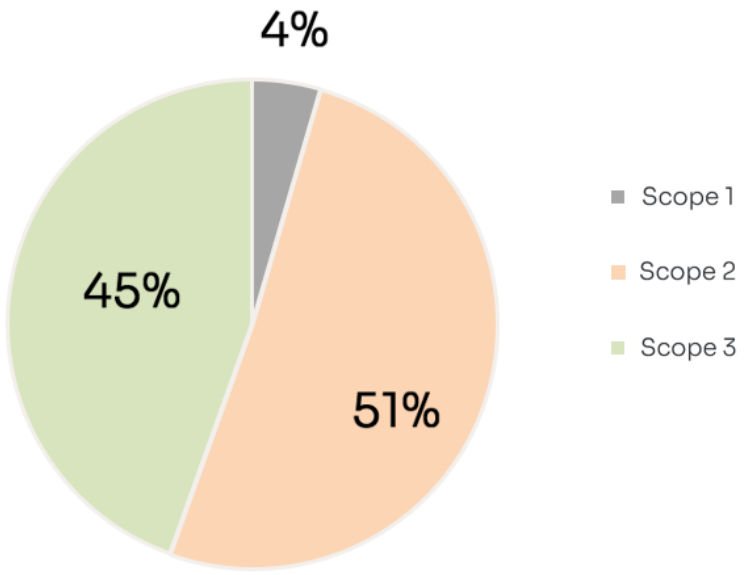
3.1 Summary by Scope

Table 1 shows the total emissions across all Scope 1, 2 and 3 sources for the base year, 1st October 2022 – 30th September 2023, and the current reporting period, 1st January 2025 – 31st December 2025. A list of the emission sources included within this assessment is presented in Section 2.3.

Table 1 - Emissions by Scope (2022-23 and 2025)

Scope	2022-2023		2025		Change From Base Year
	tCO_2e	%	tCO_2e	%	
Scope 1	357.11	50%	31.41	4%	-91%
Scope 2	135.24	19%	356.51	51%	+164%
Scope 3	215.05	30%	311.47	45%	+45%
Total	707.40		699.39		-1%

Figure 1 - Emissions by Scope (2025)



Given that categories 3.4 Upstream Transport and Distribution and 3.5 Waste Transport are new inclusions in Walter Lilly's 2025 carbon footprint, a comparison between the base year and the current reporting period, without the new categories, is shown in Table 2 below.

Table 2 - Emissions by Scope (2022-23 and 2025, excluding new categories)

Scope	2022-23		2025 (excl. new categories)		Change From Base Year
	tCO_2e	%	tCO_2e	%	
Scope 1	357.11	50%	31.41	6%	-91%
Scope 2	135.24	19%	356.51	72%	+164%
Scope 3	215.05	30%	108.13	22%	-50%
Total	707.40		496.06		-30%

Overall, while Scope 1 emissions have decreased from 2025 compared to the baseline year, Scope 2 and 3 have increased. After excluding the new categories included in the 2025 carbon footprint, Scope 3 also shows a decrease in total emissions compared to the baseline year. These changes have been discussed in Section 3.4 Breakdown of Emissions.

3.2 Summary by Source

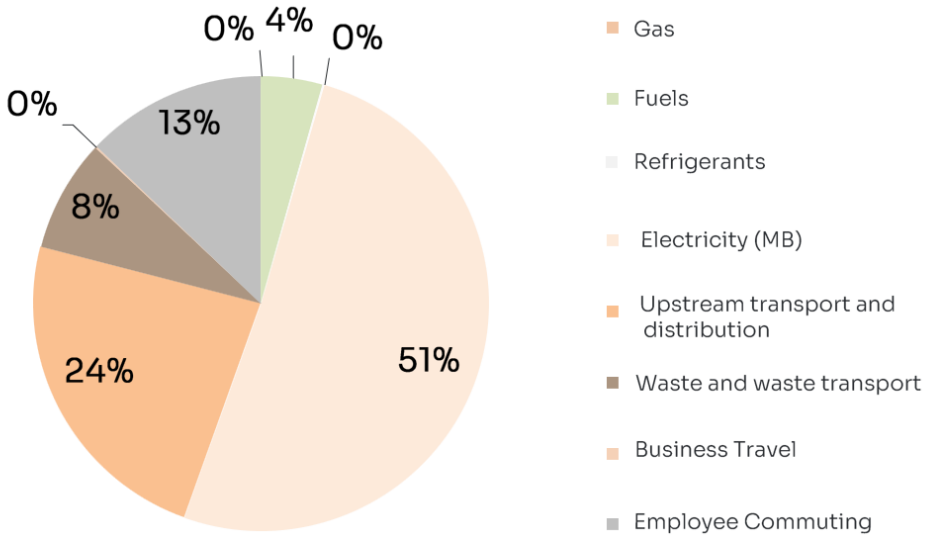
Table 3 displays a further breakdown of the emissions presented above. Emissions are presented by each source: the scope under which each emissions source falls is specified. Data is presented for the base year, 1st October 2022 – 30th September 2023, and the current reporting period, 1st January 2025 – 31st December 2025. The percentage increase or decrease in emissions between the base and current reporting periods is shown in the final column.

Table 3 - Emissions by Source (2022-23 and 2025)

Scope	Source	2022-23		2025		Change From Base Year
		tCO_2e	%	tCO_2e	%	
1	Gas	19.16	3%	0.00171	0%	-100%
1	Fuels	337.88	48%	30.73	4%	-91%
1	Refrigerants	0.07	<1%	0.68	0%	871%
2	Electricity (MB)**	135.24	19%	356.51	51%	164%
3.4	US T&D	0.68	<1%	164.65	24%	24114%
3.5	Waste	22.38	3%	55.88	8%	150%
3.6	Business Travel	6.86	1%	1.03	0%	-85%
3.7	Commuting	185.13	26%	89.91	13%	-51%
3.9	DS T&D	N/A	N/A	N/A	N/A	N/A
	Total (MB)*	707.40		699.39		-1%
2	Electricity (LB)**	135.24	-	367.95	-	+172%
	Total (LB)*	707.40		710.83		0%

** Purchased electricity emissions were calculated using market - and location - based approaches to account for the REGO - certified renewable electricity on some utility contracts (market - based, MB) and solely using average UK grid emissions factors (location - based, LB). It is advisable to report both.*

Figure 2 - Emissions by Source (2025)



Given that categories 3.4 Upstream Transport and Distribution and 3.5 Waste Transport are new inclusions in Walter Lilly's 2025 carbon footprint, a comparison between the base year and the current reporting period, without the new categories, is shown in Table 4 below.

Table 4 - Emissions by Source (2022-23 and 2025, excluding new categories)

Scope	Source	2022-23		2025 (excl. new categories)		Change From Base Year
		tCO_2e	%	tCO_2e	%	
1	Gas	19.16	3%	0.00	0.00%	-100%
1	Fuels	337.88	48%	30.73	6.19%	-91%
1	Refrigerants	0.07	<1%	0.68	0.14%	871%
2	Electricity (MB)**	135.24	19%	356.51	71.87%	164%
3.4	US T&D	0.68	<1%	0.00	0.00%	-100%
3.5	Waste (excl. waste transport)	22.38	3%	17.20	3.47%	-23%
3.6	Business Travel	6.86	1%	1.03	0.21%	-85%
3.7	Commuting	185.13	26%	89.91	18.12%	-51%
3.9	DS T&D	N/A	N/A	N/A	N/A	N/A
	Total (MB)*	707.40		496.06		-30%
2	Electricity (LB)**	135.24	-	367.95	-	+172%
	Total (LB)*	707.40		508.18		-28%

** Purchased electricity emissions were calculated using market - and location - based approaches to account for the REGO - certified renewable electricity on some utility contracts (market - based, MB) and solely using ge UK grid emissions factors (location -ased, LB). It is advisable to report both.*

3.2 Carbon Intensity Ratios

The total annual carbon emissions for the base and current reporting periods have been divided by the activity metrics for various normalising factors. This has provided carbon intensity ratios (Table 5) for the normalising factors listed below. These are examples of normalised data which allow for comparison over time and comparison across different organisations. For businesses, carbon intensity ratios are particularly useful to allow for comparison of emissions over time as the business grows.

The following normalising factors have been used:

- **Floor Area -** includes the floor area of Walter Lilly's head office and the floor area of Walter Lilly's project sites within the reporting period;
- **Employees -** includes the total number of full - time equivalent (FTE) employees and contractors within the reporting period; and
- **Revenue -** total revenue generated by Walter Lilly in the reporting period.

Table 5 - Carbon Intensity Ratios (2022-23 and 2025)

Normalising Factor	**2022-23**		**2025**		**Change From Base Year**
	Value	**Intensity**	**Value**	**Intensity**	
Floor Area (tCU2e per m^2)	56,692.30m^2	**0.072**	82,246.00m^2	**0.009**	**-29%**
Employees **(tCU_2e** per FTE, exc. contractors)	150	**4.72**	154	**4.54**	**-4%**
Employees ltCU2e per FTE, inc. contractors)	4,138	**0.17**	853	**0.82**	**382%**
Revenue (tcu2e per £ million)	£73,375,000	**9.64**	£117,884,426	**5.93**	**-38%**

Given that categories 3.4 Upstream Transport and Distribution and 3.5 Waste Transport are new inclusions in Walter Lilly's 2025 carbon footprint, a comparison between the base year and the current reporting period, without the new categories, is shown in Table 6 below.

Table 6 - Carbon Intensity Ratios (2022-23 and 2025, excluding new categories)

Normalising Factor	2022-23		2025 (excl. new categories)		Change From Base Year
	Value	Intensity	Value	Intensity	
1-loor Area (tCU2e per m^2)	56,692.30m^2	**0.072**	82,246.00m^2	**0.006**	**-50%**
Employees (tCO_2e per FTE, exc. contractors)	150	4.72	154	3.22	-32%
Employees (tCO_2e per FTE, inc. contractors)	4,138	0.17	853	0.58	242%
Revenue (tCO_2e per £ million)	£73,375,000	9.64	£117,884,426	4.208	-56%

Overall, Walter Lilly's intensity emissions decreased across all normalising factors in 2025 compared to the baseline year, except for employees (including contractors). When discounting the new categories that have been added in the 2025 carbon footprint, the trend stays the same.

3.4 Breakdown of Emissions

Gas: The decrease in natural gas emissions from the 2022-23 baseline year to the 2025 period is a result of natural gas being removed from Walter Lilly's Head Office prior to the commencement of the 2024 period. Furthermore, the amount of natural gas consumed on site for the 2025 period was significantly less than the 2022-23 period.

Fuels: There was a 90% decrease in emissions from fuel between the baseline year and the current reporting period. There was a lower overall consumption of fuel (- 91% between the periods) with 35% of 2025's fuel associated emissions from hydrotreated vegetable oil (HVO), which has a much lower conversion factor than burning oil and gas oil.

Refrigerants: There were no new refrigerant top ups from the systems at Walter Lilly's Head Office. 3No. water coolers were hired for use on project sites that contained the R134A refrigerant, which has a much higher global warming potential than the R600A refrigerant type used on the other equipment, therefore increasing the emissions associated with refrigerants in 2025. Overall, emissions in this category have fluctuated considerably over time. While there has been an increase in refrigerant emissions in 2025 compared to the baseline 2022-23 period, emissions have decreased by 98% from 2024 to 2025.

Electricity (market- and location-based): Electricity data was not captured for some months on a few projects due to issues with electricity meters. To account for months with missing data, the available data from other months on each project was pro-rated. There were 13 projects with partially pro-rated data. Emissions from one project were excluded as there were no meters installed for the active period (December 2025) and there was insufficient data to pro-rate.

Location-based and market-based emissions from electricity rose due to an increase in overall consumption. Compared to the 2022-23 period, the kWh consumption of electricity was 164% higher in 2025 (market-based emissions). This increase is likely due to an improvement in the quality of project electricity consumption data for 2025. Where some supplies on project sites were not previously monitored, meters were more consistently installed to capture both site activities as well as site offices and welfare facilities. Additionally, one project accounted for 95% of Walter Lilly's non-renewable electricity consumption. As one of the buildings on this site required continuous climate control, there was a significant increase in Walter Lilly's overall electricity emissions. On the other hand, the consumption in Walter Lilly's Head Office decreased by 75% between 2022-23 and 2025. This is likely to do with a lower occupancy of Walter Lilly's Head Office, as a considerable amount of Walter Lilly's employees transitioned to Wize Holding's employees. As Walter Lilly 's Head office and some of their clients use certified renewable electricity, this is reported separately under a market-based approach with no associated emissions.

Upstream Transportation and Distribution: Some emissions associated with the transport of products from suppliers to Walter Lilly were calculated during the baseline year based on courier data. A more comprehensive set of good quality data has been collected in the 2025 period with the introduction of MSite and Tracker+, which use their own emission factors embedded within the platforms. Tracker+ uses 2018 UK Government GHG Conversion Factors for Company Reporting, but they have confirmed that these will be updated to the latest figures shortly.

Waste: Where emissions from transportation of waste were not directly provided in $kgCO_2e$ from the waste carriers, these were recorded and processed on Tracker+. Tracker+ uses 2018 UK Government GHG Conversion Factors for Company Reporting, but they have confirmed that these will be updated to the latest figures shortly. Transport of waste from Walter Lilly's Head Office was excluded as this was not recorded for 2025 .

Overall, emissions associated with waste has increased by 150% from the baseline year, but this is largely due to the inclusion of emissions from waste transport, which Walter Lilly has voluntarily opted to include within their footprint. Discounting emissions from waste transport, the actual waste emissions decreased by 23%. This is largely due to a 60% decrease in the total tonnage of waste sent to landfill between the baseline year and 2025. Emissions associated with landfill are significantly higher than all other waste disposal methods. Walter Lilly also partnered with Community Wood Recycling on seven projects to recycle and reuse any wood waste from projects.

Business Travel: Emissions associated with business travel decreased between the baseline year and 2025 across all modes of transport. There was no air travel or hotel stays in the 2025 period compared to the baseline year.

Employee Commuting: Employee commuting emissions decreased by 51% between the baseline year and 2025. Where employee commuting data was collected via a commuting survey in previous years, for the 2025 period MSite was used to track employee commuting. MSite provides the employee commuting emissions in $kgCO_2e$, calculated using their own emission factors, which are slightly higher than the UK Government GHG Conversion Factors for Company Reporting. The switch to MSite has improved data accuracy as it enables real-time data tracking, in comparison to the employee estimates from the commuting survey. Additionally, the decrease in employee commuting emissions is also likely related to Walter Lilly's employees transitioning to Wize Holding's employees.

Main contractors tend to have highly variable emissions between reporting periods due to the short-term variability of construction activities: it is therefore important to measure change over a number of years. Walter Lilly will continue to measure progress against targets annually.

4. CARBON REDUCTION PLAN

4.1 Emissions Reduction Targets

There are two methods for expressing GHG targets:

- Absolute targets are expressed in terms of a reduction over time in a specified quantity of GHG emissions to the atmosphere, the unit typically being tCO2e.
- Intensity targets are expressed as a reduction in the ratio of GHG emissions relative to another business metric. The comparative metric(s) should be uniquely selected for each business: the most appropriate metric will differ depending on business activities. Common metrics include revenue (tCO2e per £), floor area (tCO2e per m2) and number of employees (tCO2e per employee), but many more metrics may be used.

Walter Lilly's annual floor area, employees and revenue can change significantly due to the nature of the business's operations. As a result, Walter Lilly has chosen to set absolute targets.

4.1.1 Absolute Targets

In order to continue progress towards net zero, Walter Lilly have adopted the following carbon reduction targets in relation to the 2022 - 23 baseline:

- Net zero carbon emissions by 2040 for Scope 1 and 2; and
- Net zero carbon emissions by 2050 for Scope 3.

There is no single definition of 'net zero'. However, the Science-Based Targets Initiative's (SBTi) definition of net zero is the most widely accepted. The SBTi states that to achieve net zero, emissions must firstly be reduced as far as possible: for most businesses, this should be at least a 90% reduction in emissions from the baseline year by 2050.

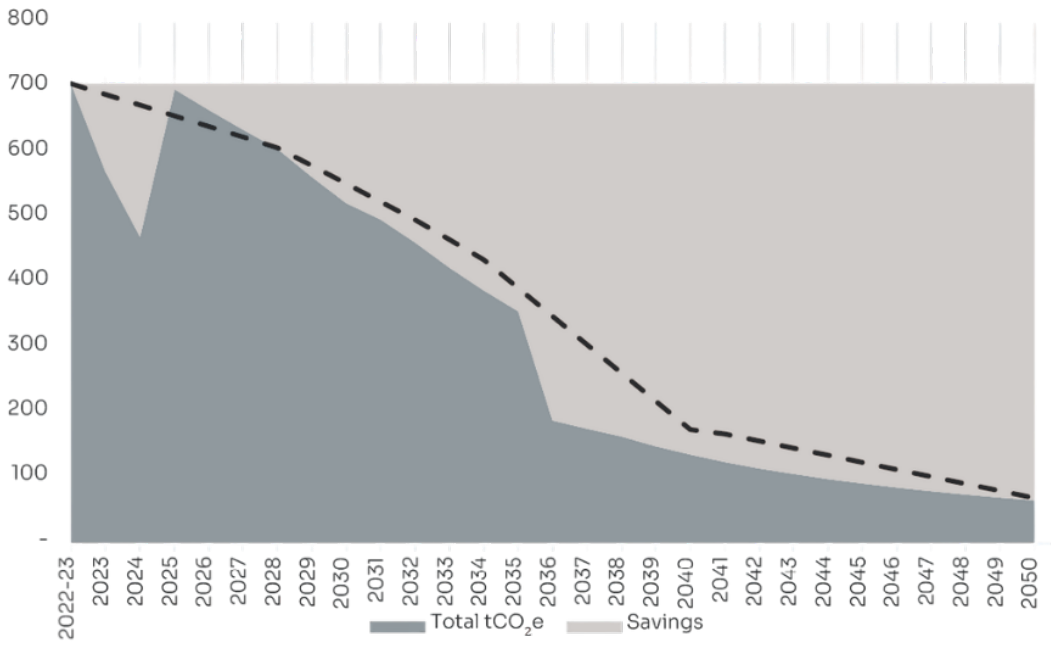
The remaining emissions which cannot reasonably be avoided are called 'residual emissions'. These residual emissions must be offset using verified carbon offsets (also called carbon credits) before net zero claims can be made. The number of offsets purchas ed should be equal to the quantity of residual emissions remaining. PPN 06/21 guidance also states that any remaining residual emissions should be offset using schemes such as afforestation or carbon capture and storage. The targets within this section for 'net zero' have therefore been set as a 90% reduction in emissions by 2040 for Scope 1 and Scope 2 and a 90% reduction in emissions by 2050 for Scope 3. Once these targets are met, options for carbon offsets can be explored.

Options for carbon offsets can also be explored before the net zero targets are met. If Walter Lilly continues to make emission reductions and decides to purchase carbon offsets equivalent to its annual emissions, Walter Lilly may claim carbon neutrality. Once the 90% net zero targets are met, Walter Lilly may then claim net zero.

Figure 3 shows a potential path to net zero for Walter Lilly. It shows a potential projected emissions path until 2050 based on the carbon reduction initiatives detailed in Section 4.2 and 4.3. The dashed black line denotes the combined targets to meet net zero by 2040 for Scope 1 and Scope 2 and by 2050 for Scope 3.

The projected emissions path is dependent on Walter Lilly effectively implementing the carbon reduction initiatives and is therefore subject to change. It is also dependent on a number of assumptions (e.g., the UK grid becoming fully decarbonised by 2035 and waste disposal companies reducing their emissions, for example). Therefore, total annual emissions are not guaranteed to follow this trajectory, even if all the initiatives listed above are implemented.

Figure 3 - Indicative Path to Net Zero



The following three graphs show the net zero targets for Scope 1, Scope 2 and Scope 3. The red points indicate the actual emissions for each scope during the 2022-23, 2023 , 2024 and 2025 reporting periods.

Figure 4 - Scope 1 Targets to 2050 (Red diamonds indicate actual emissions)

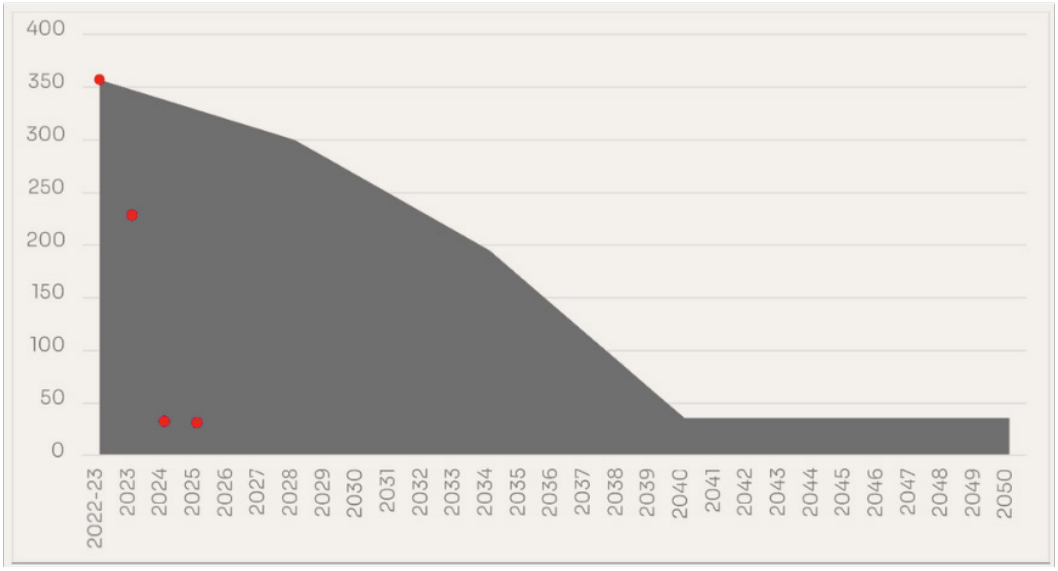


Figure 5 - Scope 2 Targets to 2050 (Red diamonds indicate actual emissions)

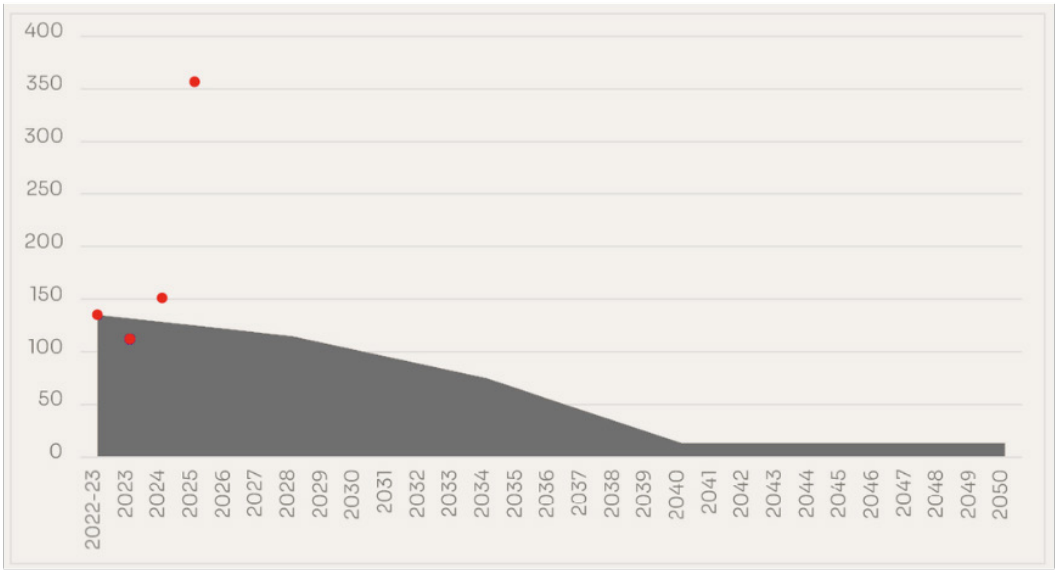
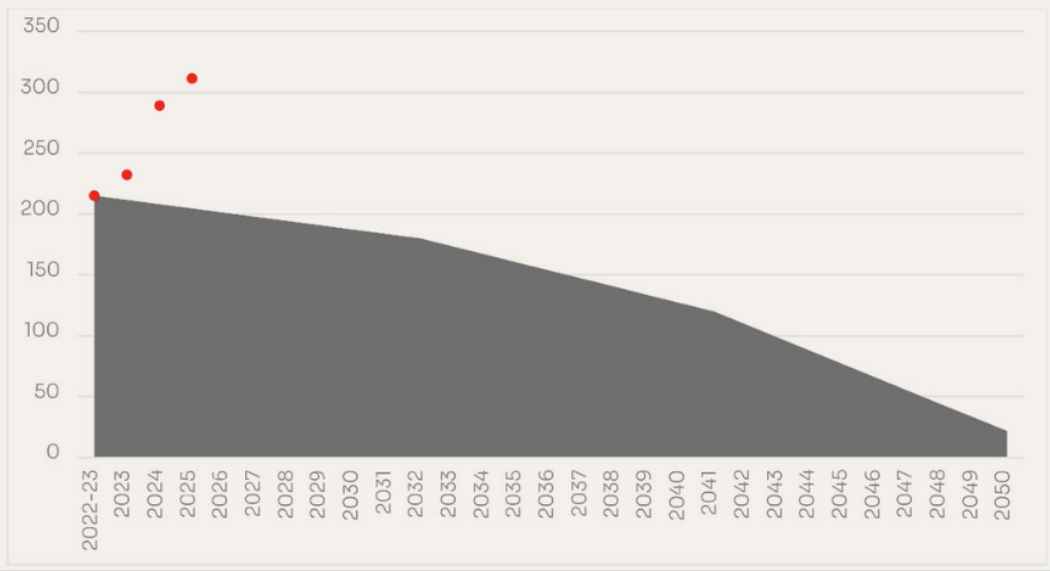


Figure 6 - Scope 3 Targets to 2050 (Red diamonds indicate actual emissions)



4.2 Current Carbon Reduction Initiatives

The following environmental management measures and projects have been completed or implemented since the 2022-23 baseline:

- 99% of waste diverted is from landfill;
- Hydrotreated vegetable oil (HVO) is the preferred choice of fuel over diesel or kerosene (over 94% of fuel consumed in 2024 was HVO);
- All recyclable waste from construction projects and Walter Lilly's offices is separated;
- 100% of cardboard and paper is targeted to be recycled at Walter Lilly's offices;
- 100% of timber is always targeted to be recycled on projects: where this is not possible, combustion is prioritised over landfill. Emissions arising from landfilled timber waste are approximately 144 times higher than timber disposed of via combustion;
- Waste arising from subcontractor - related packaging is reduced wherever possible e.g., excessive packaging is rejected and returned to the supplier;
- 100% of electricity purchased by Walter Lilly is procured via renewable electricity tariffs;
- Walter Lilly encourages the use of renewable energy in construction projects (where Walter Lilly does not have control over electricity tariffs);
- Where temporary electrics are installed on construction projects, Walter Lilly always aims to connect to mains supply rather than using generators: where this is not possible, the most sustainable solutions are sought as a priority;
- In construction projects, energy efficient site lighting and site offices are provided by Walter Lilly;
- In construction projects, environmentally - sustainable site hoarding are used wherever possible;
- Further sustainable best practice initiatives will be encouraged on site, where possible. A dedicated Social Value Champion on every project and head office will be responsible for the oversight and implementation of embracing best practice;
- Walter Lilly joins local schemes for repurposing site materials;

- A salary sacrifice scheme for bicycles is available to Walter Lilly's employees ;
- All transport, including people travel and deliveries, are recorded via online cloud based system ; and
- Consideration will be encouraged during procurement of clean plant alternatives, utilising the company's Clean Plant brochure .

Incorporating these carbon reduction initiatives have resulted in a total carbon footprint of 699.39 tCO2e, a 1% reduction against the 2022-23 baseline. The measures will be in effect when performing the contract.

4.3 Future Carbon Reduction Initiatives

Walter Lilly will be implementing the following carbon reduction initiatives over the next year.

- Any vans leased in the future will be fully electric;
- Refrigerants with low GWPs will be preferentially used;
- Encourage our supply chain with best practice written into order agreements and host appropriate sustainability training and workshops;
- Ensure all transport, including people travel and deliveries, are recorded via online cloud based system;
- Suppliers will be engaged with to determine the weight of purchased goods and how far these have travelled from the supplier's dispatch address to the delivery address;
- Further sustainable forms of employee commuting will be encouraged, potentially through initiatives such as encouraging car sharing or offering a salary sacrifice scheme for electric vehicles; and
- Clients will be engaged with to determine whether electricity used on projects is derived from renewable sources and, if so, what percentage of supply originates from these renewable sources. It will also be determined whether these renewables are on-site or procured via REGO-certified contracts or PPAs.

3. APPENDIX A: PPN 06/21 TEMPLATE

Supplier name: Walter Lilly

Publication date: 20/04 /2026

Commitment to Achieving Net Zero

Walter Lilly is committed to achieving Net Zero emissions for Scope 1 and 2 by 2040 and Scope 3 by 2050.

Baseline Emissions Footprint

Baseline emissions are a record of the greenhouse gases that have been produced in the past and were produced prior to the introduction of any strategies to reduce emissions. Baseline emissions are the reference point against which emissions reduction can be measured.

Baseline Year: 1st October 2022 – 30th September 2023

Additional details relating to the baseline emissions calculations:

For Scope 3.4 Upstream Transportation and Distribution, some emissions associated with the transport of products from suppliers to Walter Lilly were calculated during the baseline year based on courier data. However, a full period of data had not been collected for the deliveries of materials on Walter Lilly's sites.

Scope 3.9 Downstream Transportation and Distribution is not applicable to Walter Lilly's operations.

Baseline year emissions:

Emissions	Total (tCO_2e)
Scope 1:	357.11 tCO_2e
Scope 2:	135.24 tCO_2e
Scope 3: (3.4 Upstream Transport and Distribution, 3. 5 Waste, 3.6 Business Travel, 3.7 Commuting)	215.05 tCO_2e
Total Emissions:	707.40 tCO_2e

Current Emissions Reporting

Reporting Year: 2025

Emissions	Total (tCO_2e)
Scope 1:	31.41 tCO_2e
Scope 2:	356.51 tCO_2e
Scope 3: (3.4 Upstream Transport and Distribution, 3.5 Waste and waste transport, 3.6 Business Travel, 3.7 Commuting)	311.47 tCO_2e
Total Emissions:	699.39 tCO 2e

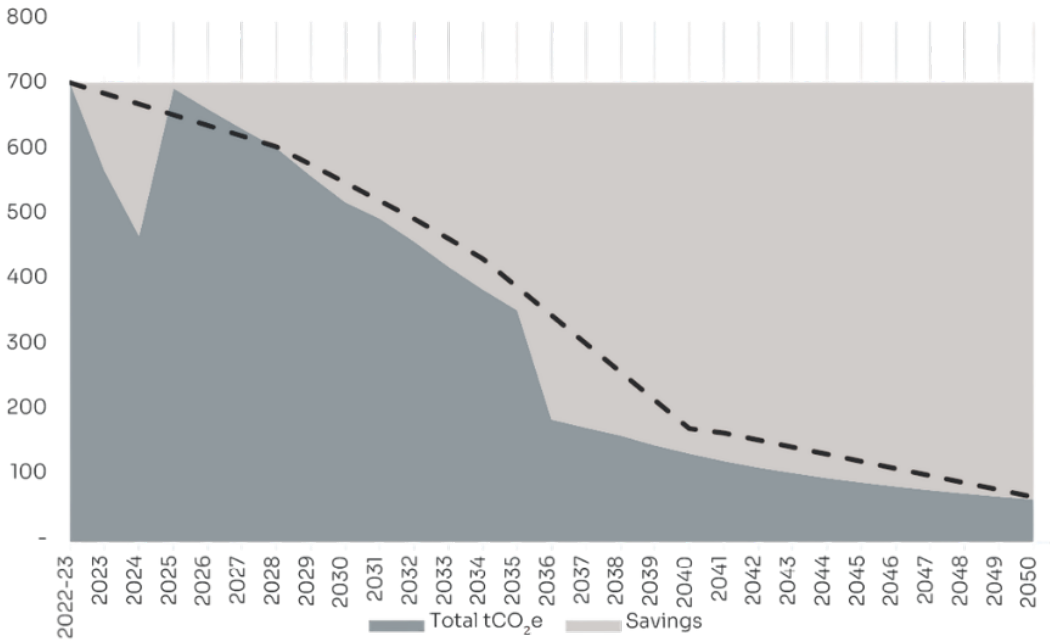
Emissions Reduction Targets

In order to continue our progress to achieving Net Zero, we have adopted the following carbon reduction targets.

- Net zero carbon emissions by 2040 for Scope 1 and 2; and
- Net zero carbon emissions by 2050 for Scope 3.

Progress against these targets can be seen in the graph below:

Figure 1 - Project Progress against SBTI-Aligned Targets



Carbon Reduction Projects

Completed Carbon Reduction Initiatives

The following environmental management measures and projects have been completed or implemented since the 2022 - 2023 baseline. The carbon emission reduction achieved by these schemes equate to 699.39 tCO_2e, a 1% reduction against th e 2022 - 2023 baseline and the measures will be in effect when performing the contract.

- 99% of waste diverted is from landfill;
- Hydrotreated vegetable oil (HVO) is the preferred choice of fuel over diesel or kerosene (over 94% of fuel consumed in 2024 was HVO);
- All recyclable waste from construction projects and Walter Lilly's offices is separated;
- 100% of cardboard and paper is targeted to be recycled at Walter Lilly's offices;
- 100% of timber is always targeted to be recycled on projects: where this is not possible, combustion is prioritised over landfill. Emissions arising from landfilled timber waste are approximately 144 times higher than timber disposed of via combustion;
- Waste arising from subcontractor - related packaging is reduced wherever possible e.g., excessive packaging is rejected and returned to the supplier;
- 100% of electricity purchased by Walter Lilly is procured via renewable electricity tariffs;
- Walter Lilly encourages the use of renewable energy in construction projects (where Walter Lilly does not have control over electricity tariffs);
- Where temporary electrics are installed on construction projects, Walter Lilly always aims to connect to mains supply rather than using generators: where this is not possible, the most sustainable solutions are sought as a priority;
- In construction projects, energy efficient site lighting and site offices are provided by Walter Lilly ;
- In construction projects, environmentally - sustainable site hoarding is used wherever possible;
- Further sustainable best practice initiatives will be encouraged on site, where possible. A dedicated Social Value Champion on every project and head office will be responsible for the oversight and implementation of embracing best practice;
- Walter Lilly joins local schemes for repurposing site materials;
- A salary sacrifice scheme for bicycles is available to Walter Lilly's employees ;
- All transport, including people travel and deliveries, are recorded via online cloud based system; and
- Consideration will be encouraged during procurement of clean plant alternatives, utilising the company's Clean Plant brochure.

Future Carbon Reduction Initiatives

In the future we hope to implement further measures such as:

- Any vans leased in the future will be fully electric;
- Refrigerants with low GWPs will be preferentially used;
- Encourage our supply chain with best practice written into order agreements and host appropriate sustainability training and workshops;
- Ensure all transport, including people travel and deliveries, are recorded via online cloud based system;

- Suppliers will be engaged with to determine the weight of purchased goods and how far these have travelled from the supplier's dispatch address to the delivery address;
- Further sustainable forms of employee commuting will be encouraged, potentially through initiatives such as encouraging car sharing or offering a salary sacrifice scheme for electric vehicles; and
- Clients will be engaged with to determine whether electricity used on projects is derived from renewable sources and, if so, what percentage of supply originates from these renewable sources. It will also be determined whether these renewables are on - site or procured via REGO-certified contracts or PPAs.

Declaration and Sign Off

This Carbon Reduction Plan has been completed in accordance with PPN 06/21 and associated guidance and reporting standard for Carbon Reduction Plans.

Emissions have been reported and recorded in accordance with the published reporting standard for Carbon Reduction Plans and the GHG Reporting Protocol corporate standard 1 and uses the appropriate Government emission conversion factors for greenhouse gas company reporting 2.

Scope 1 and Scope 2 emissions have been reported in accordance with SECR requirements, and the required subset of Scope 3 emissions have been reported in accordance with the published reporting standard for Carbon Reduction Plans and the Corporate Value Chain (Scope 3) Standard 3.

This Carbon Reduction Plan has been reviewed and signed off by the board of directors (or equivalent management body).

Signed on behalf of the Supplier :

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Chris Butler
Managing Director of Walter Lilly

Date: 19th May 2026

1. Corporate Standard | GHG Protocol
2. Government conversion factors for company reporting of greenhouse gas emissions - GOV.UK
3. GHG Protocol Scope 3 Standard