

2026 NetWatch ESG Report



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Introduction

Climate change is the biggest challenge of our time, one which all businesses must endeavour to tackle in their operations and outlook. In order to do so, we need to compile accurate data and evidence, understanding all aspects of our business operations and the ways in which these can have unforeseen impacts upon the environment. This is the second NetWatch’s ESG Report, which aims to communicate our activities in the sustainability space, our goals and aspirations and our accomplishments.

Our approach to sustainability is aligned with the United Nations Global Goals, specifically UN Global Goal 13: Climate Action, which encourages urgent action to combat climate change in order to limit and reverse global warming. We will monitor our scope 1, 2 and 3 emissions and work to reduce these through operational changes. Likewise, we will work together with staff to help them understand and decrease their own carbon footprints and to make better informed decisions that will help protect our environment.

ISO14001:2015

During 2024, NetWatch Global implemented an Environmental Management System in order to ensure compliance with relevant regulations; use resources more efficiently and reduce waste; promote sustainable practices and drive continual improvement. This Environmental Management System underwent external certification in early 2025 and was re-certified in early 2026.

Environmental Goals

In 2023, NetWatch had our carbon reduction targets validated by the Science Based Targets initiative (SBTi). SBTi is a partnership between CDP, the United Nations Global Compact, We Mean Business Coalition, World Resources Institute (WRI) and the World Wide Fund for Nature (WWF), which drives climate action in the private sector and sets science-based emissions reductions targets.

NetWatch has set the following targets under the SBTi SME pathway. These targets align us with the goal to keep warming below the 1.5°C threshold.

- Reduce scope 1 and scope 2 GHG emissions by 42% by 2030 from a 2022 base year and to measure and reduce scope 3 emissions.
- Reduce scope 1, 2 and 3 emissions by 90% by 2050 from a 2022 base year as part of our net-zero commitment.

Scope 1 emissions are direct greenhouse gas emissions from owned or direct sources (i.e. company vehicles and fuel combustion).

Scope 2 emissions are indirect emissions arising from the purchase and use of electricity, steam, heating or cooling.

Scope 3 emissions includes all other indirect emissions that occur in the upstream and downstream of company activities.

Environmental Metrics

In this section, we will discuss NetWatch's scope 1, 2 and 3 metrics for 2025 as compared to our 2022 baseline year, and how this contributes towards our SBTi goals.

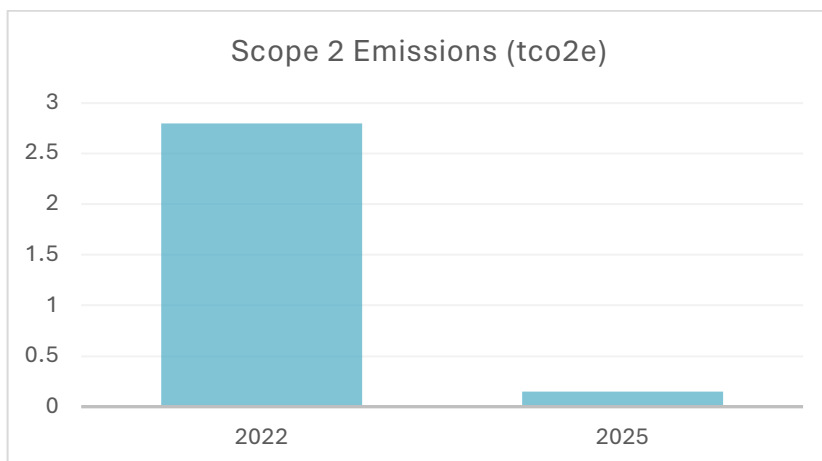
Energy

Firstly, NetWatch has no scope 1 emissions and no forthcoming plans that would create scope 1 emissions as we do not operate any combustion activities and do not operate any company cars.

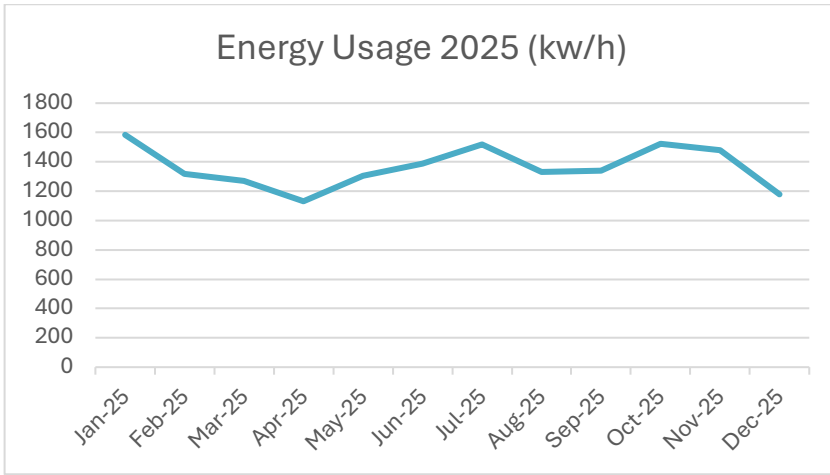
Our scope 2 emissions comprise of purchased electricity for our office space at Alpha Tower in Birmingham city centre. We have a Renewable Energy Guarantee of Origin (REGO) covering the whole of our office environment which was renewed in September 2025 and will run until at least September 2026, at which time we expect the building management company to renew it.

Under the market-based model of calculating scope 2 emissions, we can account for renewable energy usage at zero tco2e. However, we have calculated our scope 2 emissions at 5% to account for incidental emissions during the production of renewable infrastructure and the processing of this energy in the grid.

Analysis of our 2025 scope 2 emissions shows a 94% reduction compared to our 2022 baseline; this is due to our use of a REGO in our office space, which accounts for all of our scope 2 emissions.



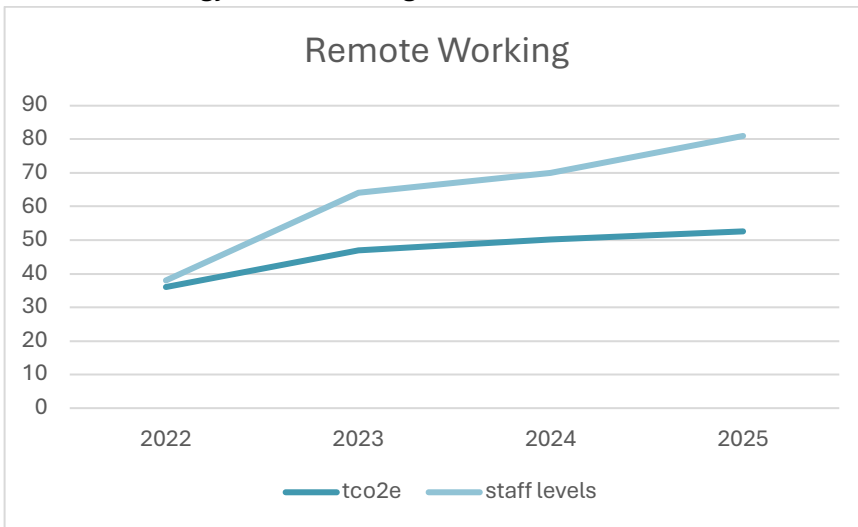
Our Alpha Tower office uses a hot-desk system, which means that our energy usage fluctuates throughout the year, as shown by the graph below. We use motion-activated lights in our office environment and consider the energy efficiency rating of devices when purchasing new equipment.



In our Scope 3 aspect, we have seen an increase in remote working emissions proportional to the increase in staff, as shown below.

Our annual commuting and sustainability survey found that 20% of staff used a renewable energy tariff at home in 2025, which decreased to 13% in 2026. In the survey, staff reported that lower bills was the main concern that would cause them to switch to or from a renewable tariff. Others reported that their living arrangements (such as living with family or renting with bills included) did not permit them to choose their own energy provider and tariff.

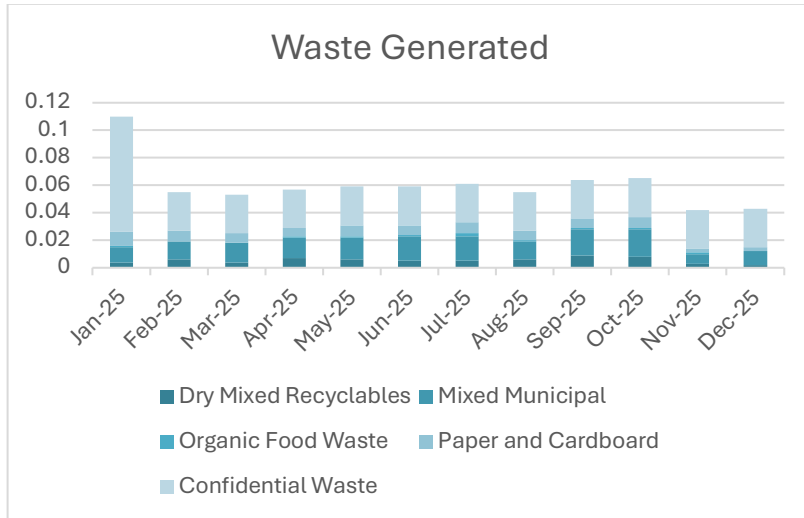
As our staff levels continue to grow during 2026, we anticipate that remote working emission will continue to play a large role in our scope 3 emissions and meeting our long-term SBTi goals. As part of our Climate Transition Plan, we aim to introduce incentives for staff to switch to renewable energy tariffs. We also anticipate that collective carbon reduction efforts will result in many energy tariffs being migrated over to renewable energy tariffs, although our Climate Transition Plan does not rely on this.



Waste

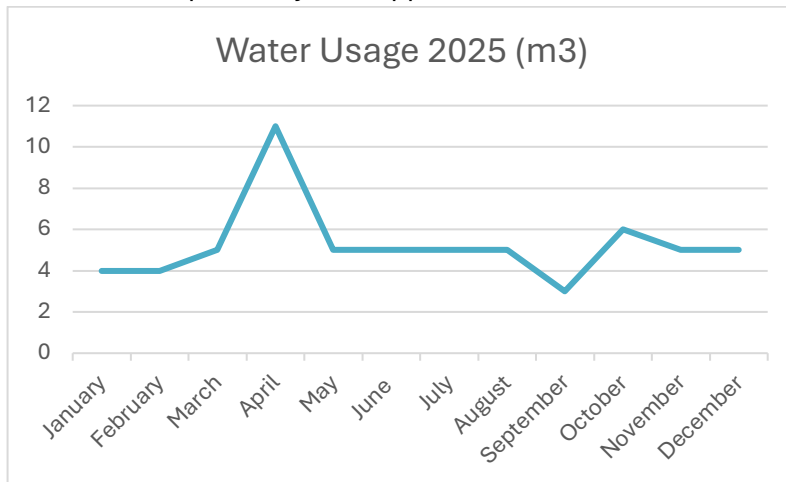
In early 2025, NetWatch introduced a new food waste bin, with improved collections by the building management in line with new regulations. However, our waste metrics show that this has not contributed towards a significant shift away from mixed municipal waste, which remains our biggest contributor to waste-based emissions.

A graph depicting our 2025 waste metrics is available overleaf; 31% of waste in 2025 went to landfill, with the remaining 60% either being recycled or undergoing anaerobic digestion.

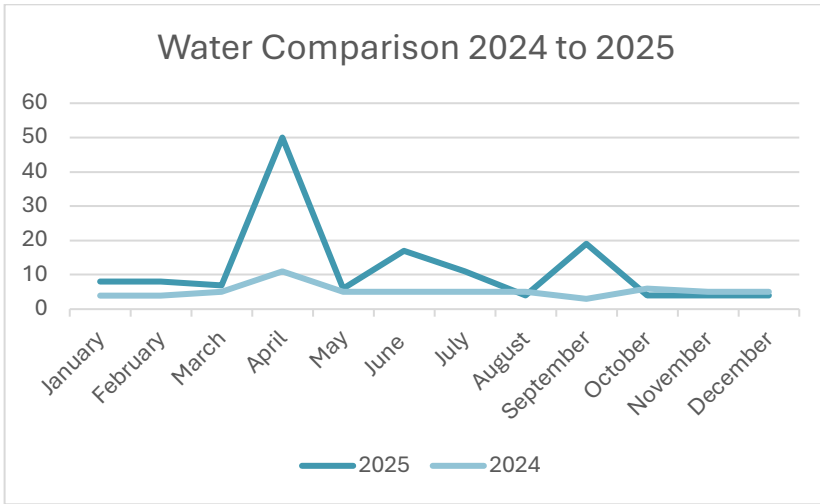


Water

There have been ongoing issues between the water supplier and the building manager, which has caused some fluctuations in the metrics that are reported by the supplier. During 2025, we received monthly water usage totals, however, the reported total for April 2025 was higher than the average due to previous issues with metrics reported by the supplier.



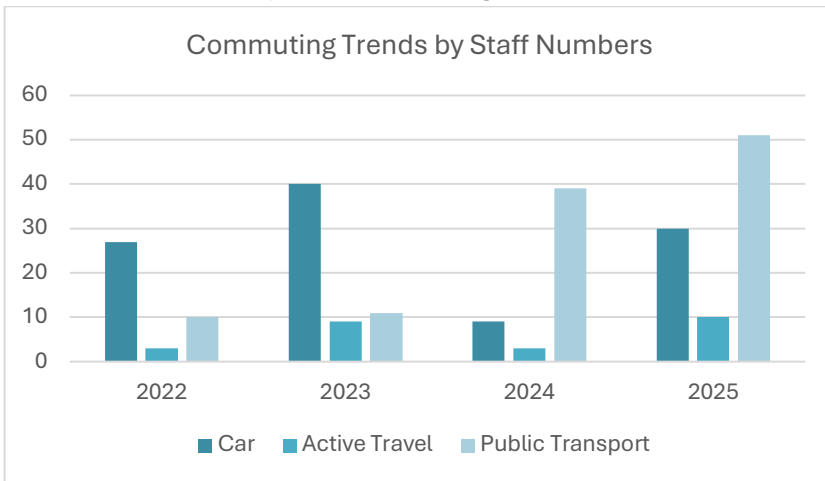
Aside from this discrepancy, our usage has been consistent throughout 2025 and when compared to 2024 usage, follows a similar pattern, as shown overleaf.



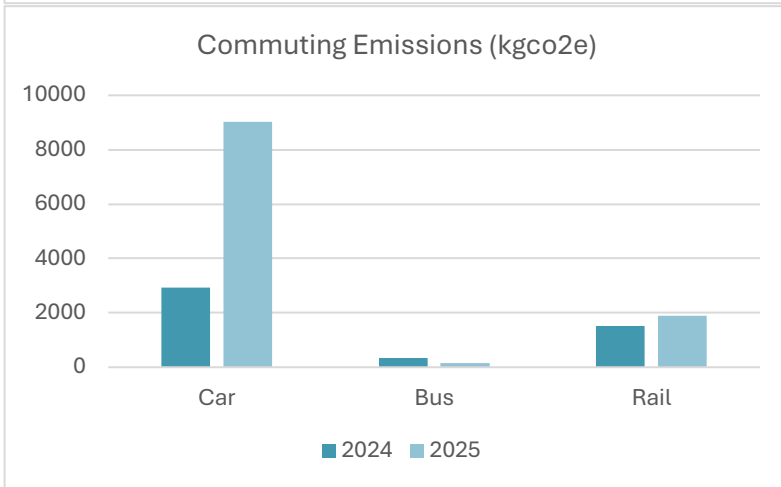
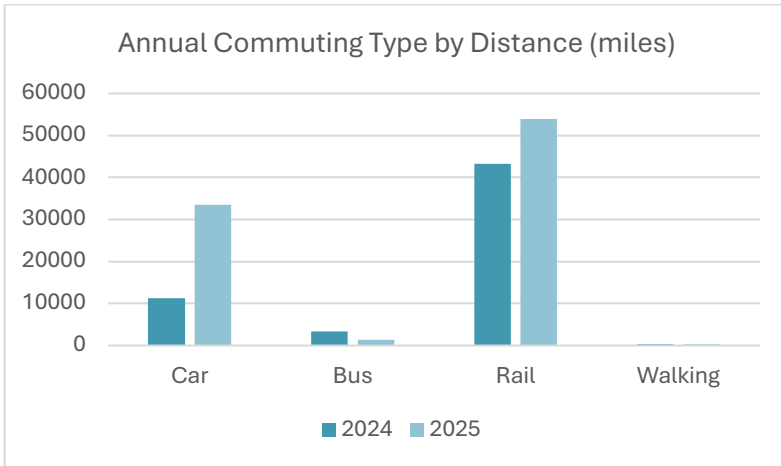
Commuting

During 2022 and 2023, we used the UK government’s online tool to estimate commuting data based on national averages. This places a preference on travelling via car, which we suspected did not accurately reflect our office, due to our location in central Birmingham.

In 2024 and 2025, we collected data directly from staff, asking for the distance travelled, method of transport and frequency of the journey (as staff have the option to work remotely for a proportion of the month). This shows that public transport is the favoured method, and while car usage was still high in 2025, the distribution is very different to the government estimates.



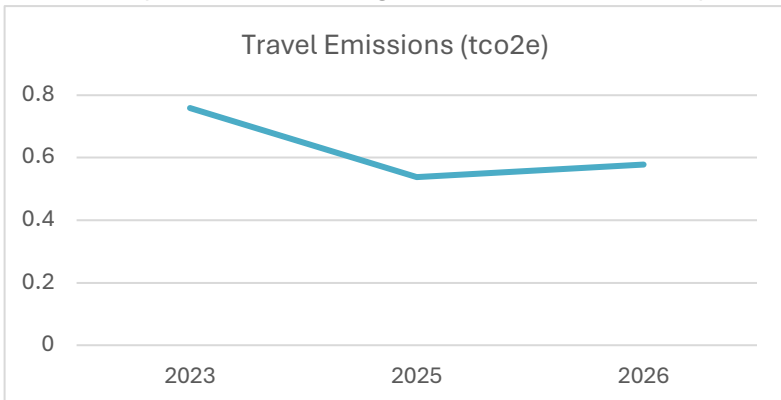
Overleaf, we have included the emissions associated with each transport type, based on usage and distance travelled. Despite rail representing our highest distance travelled in both 2024 and 2025 by a significant margin, car usage represents our highest emissions factor for commuting. In order to reduce emissions associated with commuting, we will be issuing a new ESG Handbook to all staff in 2026 to highlight the benefits of travelling by public transport.

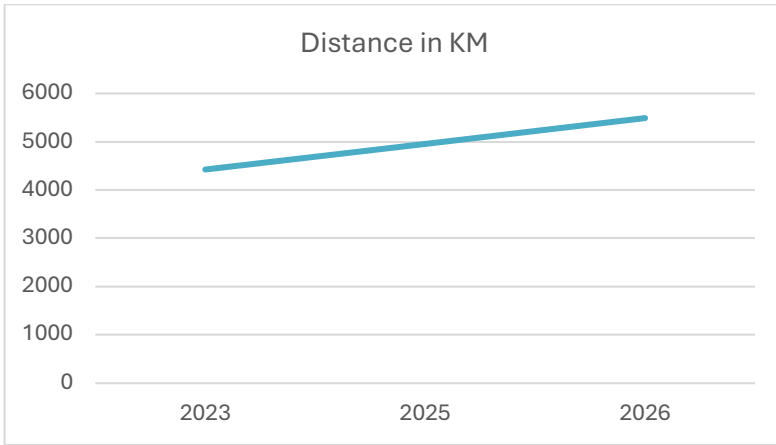


Business Travel

2025 was the first year that we collected detailed logs for business travel which include method of transport and distance travelled. Previous data from 2023 was approximate, rather than specific, and included only total monthly distance travelled and method, rather than singular journeys. Our new method of tracking business travel allows us to monitor specific journeys which will enable us to identify any efficiencies we can make to these journeys.

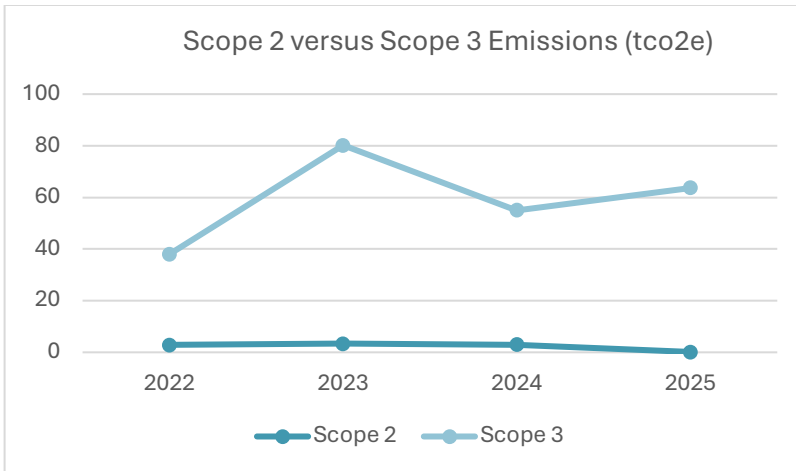
In 2025, we launched a new service which includes significantly more business travel for staff in this team, and as such we are seeing an increase in business travel emissions already in 2026. As such, we anticipate that this aspect will form a large contribution to our scope 3 emissions going forward.



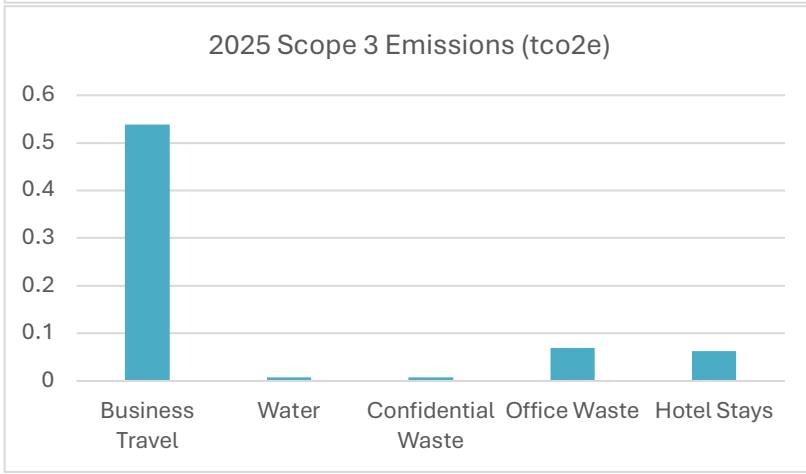
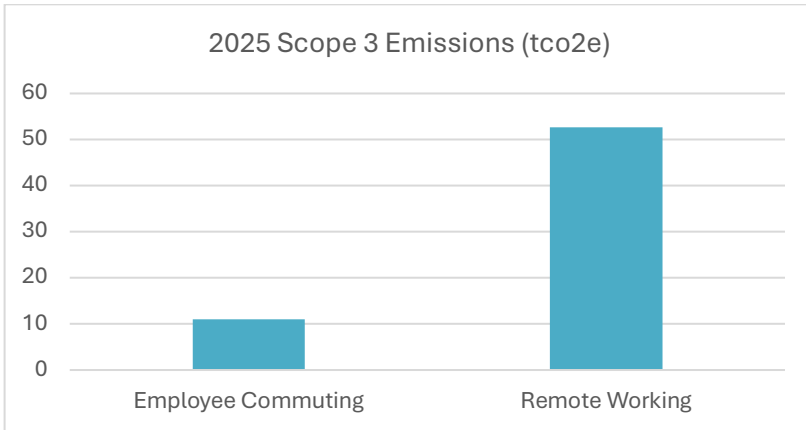


Breakdown by Scopes

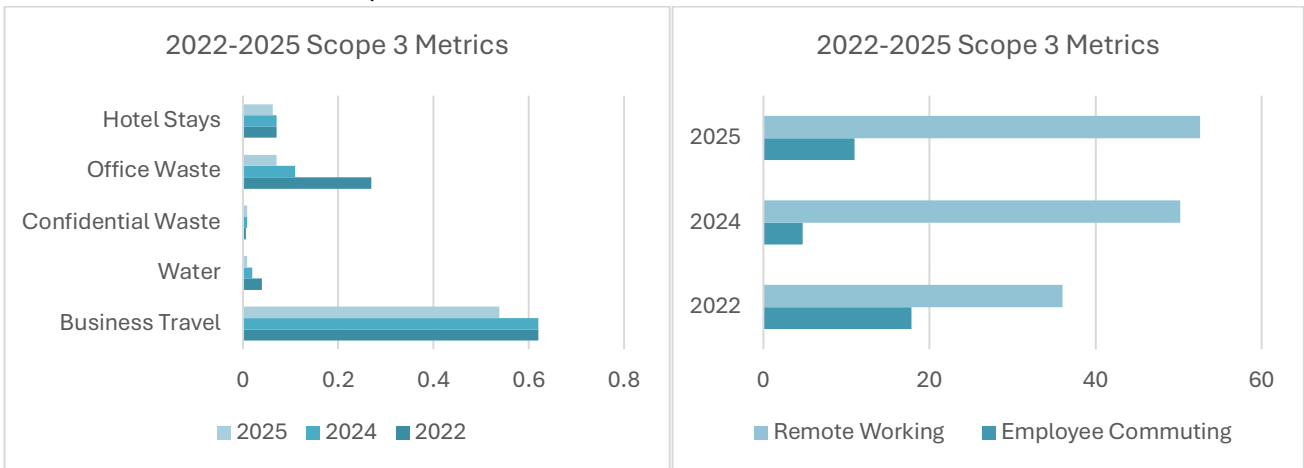
As shown by the graph below, scope 3 continues to be our biggest environmental aspect as this covers our remote operations, business travel and commuting. We anticipate that this will continue to fluctuate in the coming years, particularly in the business travel category as our service offerings and staff levels develop. However, we expect that our internal efforts as well as collective carbon reduction efforts will reduce these emissions over time.



Below is a breakdown of our scope 3 emissions by aspect, with remote working accounting for the majority of these emissions. We anticipate that even as staff numbers climb in the coming years, we will see a reduction in this aspect, due to the uptake of renewable energy tariffs across the board. We aim to introduce incentives for staff to encourage this switch to renewable energy over the coming years in order to reach our long-term SBTi goals.

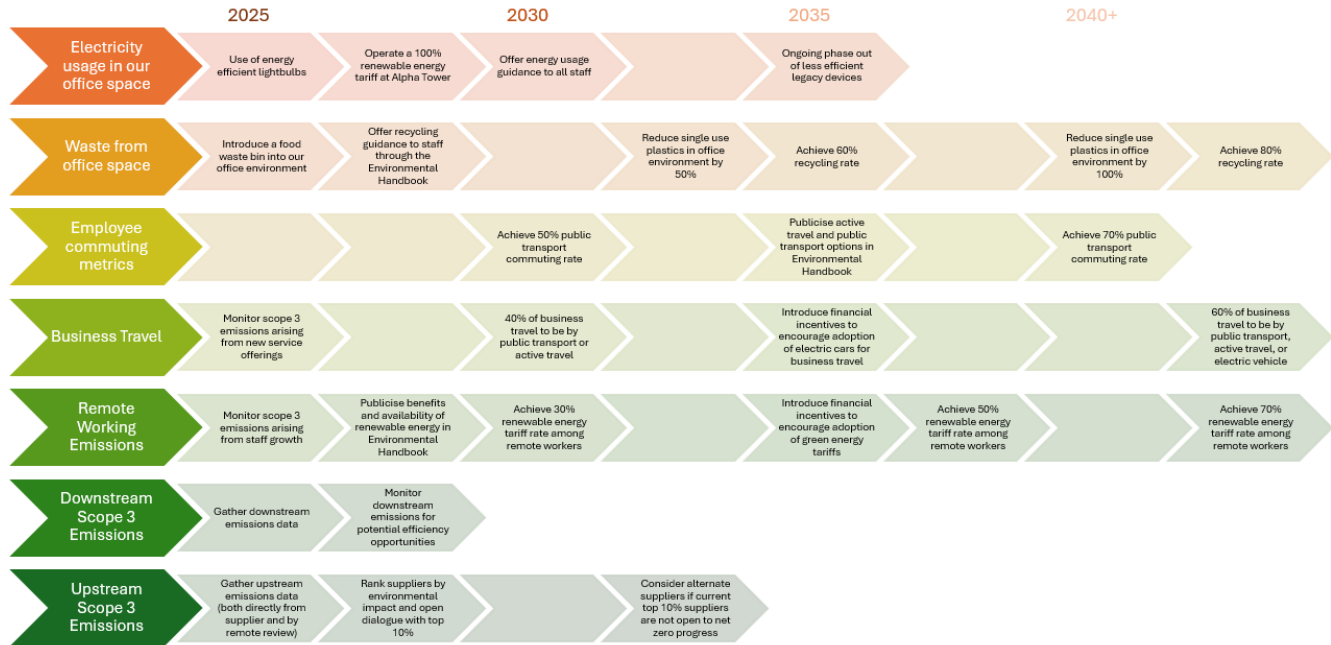


Comparisons between 2022 and 2025 show that remote working emissions have increased, although commuting emissions have decreased. This is likely due to the change in how we measure these emissions, as discussed earlier in this report.



Climate Transition Plan

As part of our efforts to achieve our long-term SBTi goals, we are continuing to measure our scope 3 emissions and opening dialogue with suppliers to get a full picture of upstream and downstream emissions. As such, we anticipate that our climate transition plan may change over the next five years as we gather more data.



2026 Carbon Reduction Plan

Our short-term efforts to reducing our carbon emissions focus on outreach with both staff and suppliers, monitoring of scope 3 emissions, and the ongoing efficiency of office devices.

During 2026, we will be reaching out to our suppliers to measure and discuss their own ESG efforts in order to properly account for our downstream scope 3 emissions. As part of this, we have created a Supplier Code of Conduct which is voluntary, but requires suppliers to agree to meeting our environmental, security and ethical standards.

Internally, we will be issuing a new ESG Handbook for all staff, which will outline our SBTi goals, our progress towards these and guidance to improve recycling rates and encourage the uptake of renewable energy tariffs at home.

As an ongoing measure, we will continue to purchase energy efficient devices for use in our office environment. Having the most efficient devices in use as possible helps keep our emissions as low as possible, which is particularly relevant when considering that only a low percentage of staff use a renewable energy tariff.

Health and Safety

No Health and Safety incidents were reported in 2025.

During the year, we conducted fire warden training for nine staff members, first aider training for three staff members and mental health first aider training for three staff members. We also introduced a new Learning & Development Tiered Funding Support Policy, which enables staff to request funding for training for professional growth, either related to their role or otherwise.

Labour Metrics

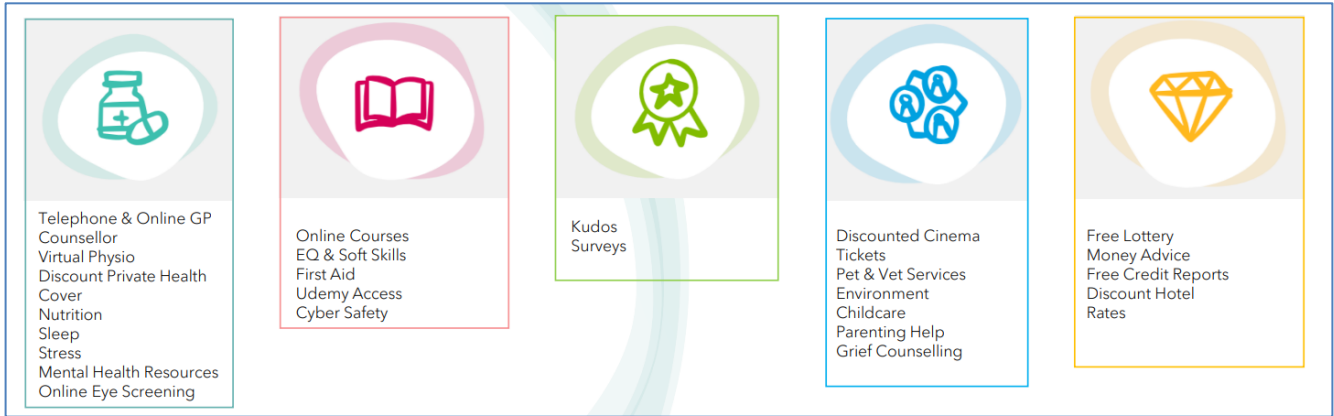
Presently, we don't measure detailed demographic information for the company, though we hope to introduce this over the coming years. Latest metrics for management positions show the following breakdown for women in leadership positions.



During 2025, we introduced enhanced maternity and paternity leave for staff who have been at the company for more than eighteen months.

- Maternity pay – SMP is 6 weeks pay at 90%, we pay an additional 6 weeks base salary at 90%
- Paternity pay – SPP is £194.32 pw or 90% of average weekly earnings (whichever is lower) for 2 weeks. We enhance this by offering 1 week at full base salary.

We also support our staff through our Employee Assistance Program through Pirkx, which includes a range of benefits detailed overleaf. Annually, we circulate an Employee Satisfaction Survey, through which staff can suggest additions to the EAP and to other benefits they would like to see at NetWatch.



Summary

Our 2025 metrics show that we are progressing towards our near-term SBTi goals as expected, though we will continue to work with the building management and our team to ensure that we remain in line with this goal over time.

The long-term goal for net-zero by 2050 is ongoing, and our current analysis places the current challenge in remote working and business travel, which we expect will be the focus of the 2027 Carbon Reduction Plan. For now, we are focused on gathering more data in order to properly capture the entirety of our scope 3 emissions, including working with our suppliers to understand their emissions and what their net-zero journey might look like.

During 2026, our main aim is improving collection across all of our metrics, including labour and diversity, and we will update progress against these goals in our next ESG Report.