Postworks

Net Zero Progress Report 2025

Postworks positive planet

Foreword

At the beginning of 2024, we partnered with Positive Planet to measure our 2023 emissions and begin our decarbonisation journey. Since then, we have been working to collect data, measure our annual emissions, set reduction targets and produce this report.

In our carbon footprint, we have quantified emissions from all scope 1, scope 2 and upstream scope 3 sources. Our emissions profile has remained similar to our base year in that Purchased Goods & Services, Capital Goods, and Transportation & Distribution have remained our largest sources of emissions.

Our Net Zero target is 2040: we are ahead of target for our near-term Scope 2 and 3 emissions, and we will work to accelerate progress for our Scope 1 emissions.

In this report, you can find our full carbon footprint results, a detailed analysis of the emissions in comparison to previous years, progress against our targets, and our future plans for reducing our emissions.

Welcome to Postworks, where we're making mail fun and eco-friendly! Founded on World Post Day in 2016, our aim is delightfully simple: to make post easy and be a pleasure to do business with. We're not just about sending letters; we're about sending them sustainably. For every ten trees our paper uses, we plant eleven—because we give back to the planet more than we take.

With Postworks Send, Postworks Receive and Postworks Email, we handle our customers' mail securely and efficiently, all while keeping them in the loop with our revolutionary technology. It's all part of our commitment to transparency and trust, qualities that have earned us multiple ISO certifications and recognition as a Living Wage Employer.

So, let's post responsibly and keep it green together!

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Measured by Positive Planet

Why we're taking action

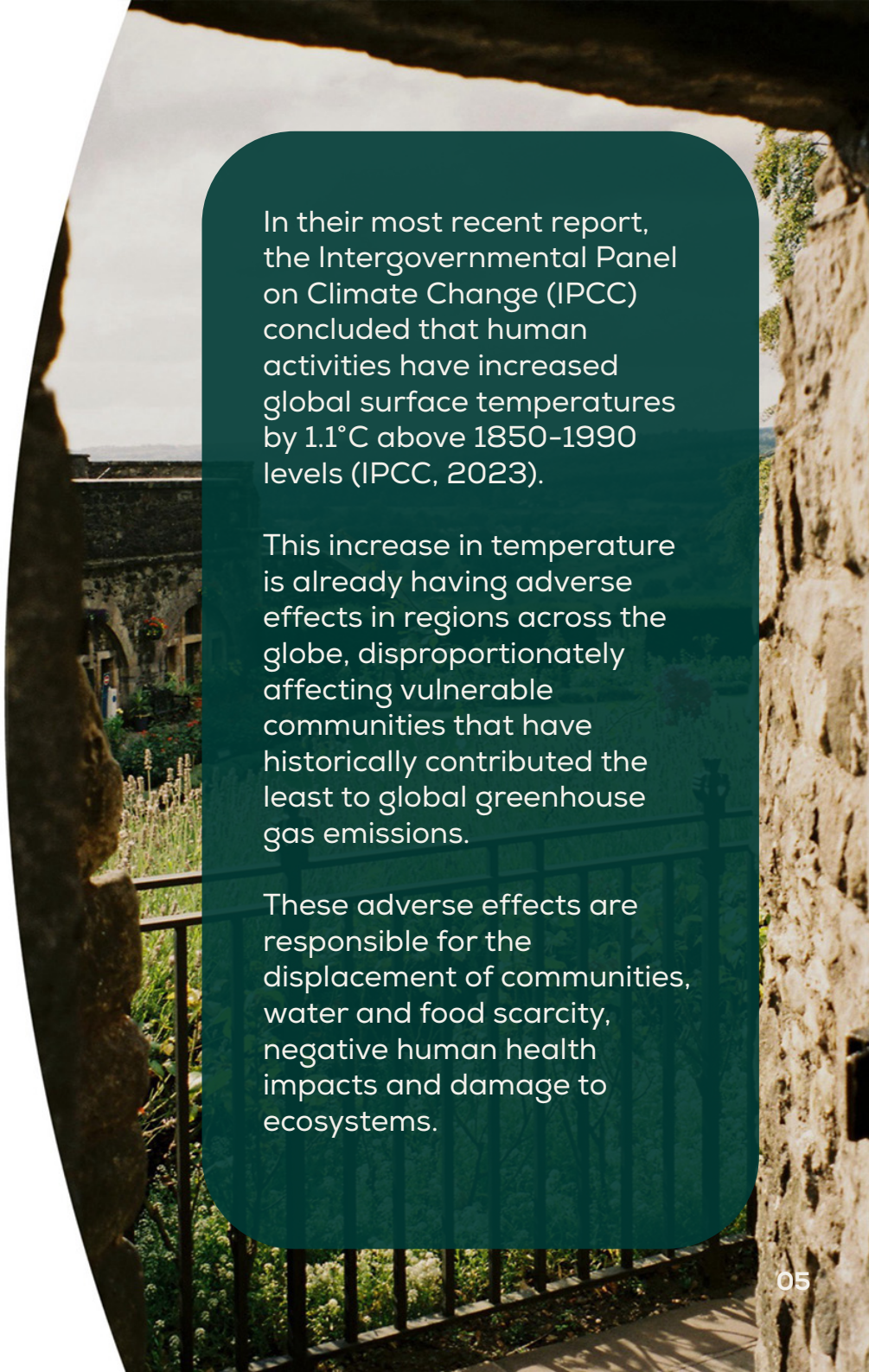
Why we're taking action

At Postworks, we're all about being kind to the planet as well as to our people and pockets. Let's face it, the world's heating up, and it's on us to cool things down. We're stepping up, not just because we should, but because we must. It's a big deal for everyone.

After all, climate change is a big threat to our beautiful big blue planet, as well as to societies and economies worldwide, and we're determined to do our part. We want to keep our Earth thriving for our children (and their children, too).

We're getting proactive about reducing and offsetting our emissions because we see it as an opportunity to do better for our planet and for our business. Adopting sustainable practices isn't just about reacting; it's about seizing opportunities to innovate, boost efficiency, and build a resilient future.

Our commitment to sustainability is deep. It reflects our promise to leave a healthier, happier world for future generations, ensuring the ongoing success and sustainability of what we're building today at Postworks.



In their most recent report, the Intergovernmental Panel on Climate Change (IPCC) concluded that human activities have increased global surface temperatures by 1.1°C above 1850-1990 levels (IPCC, 2023).

This increase in temperature is already having adverse effects in regions across the globe, disproportionately affecting vulnerable communities that have historically contributed the least to global greenhouse gas emissions.

These adverse effects are responsible for the displacement of communities, water and food scarcity, negative human health impacts and damage to ecosystems.

Risks and opportunities

Embracing sustainable practices is not just a response to warnings of the worsening state of our climate. Many actions that are required to reduce emissions are expected to have a positive impact on other areas of our business. It is 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

How we measure our footprint

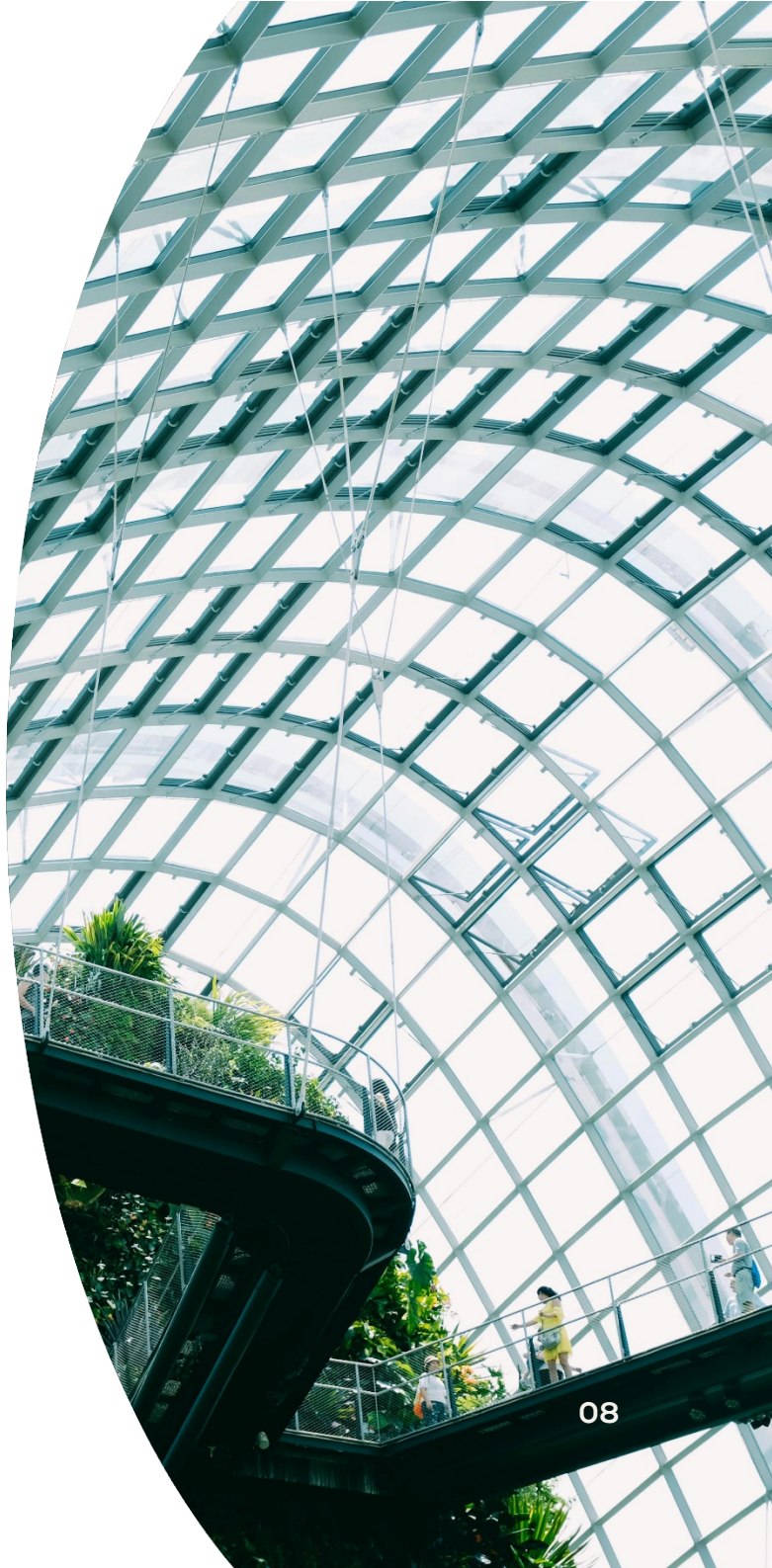
In devising a carbon reduction plan with the goal of achieving Net Zero, it is critical that we first understand where our emissions come from. To support this, we have partnered with Positive Planet to measure our emissions.

Positive Planet has calculated Postworks' greenhouse gas (GHG) emissions in line with the GHG Protocol, the globally recognised standard for carbon reporting.

Emissions are categorised into Scope 1 (direct), Scope 2 (energy-related) and upstream Scope 3 (indirect) emissions. Results are reported in tonnes of carbon dioxide equivalent (tCO_2e), which standardises the impact of seven key greenhouse gases. The diagram on the following page helps to visualise where these emissions come from and how they fall within the scopes.

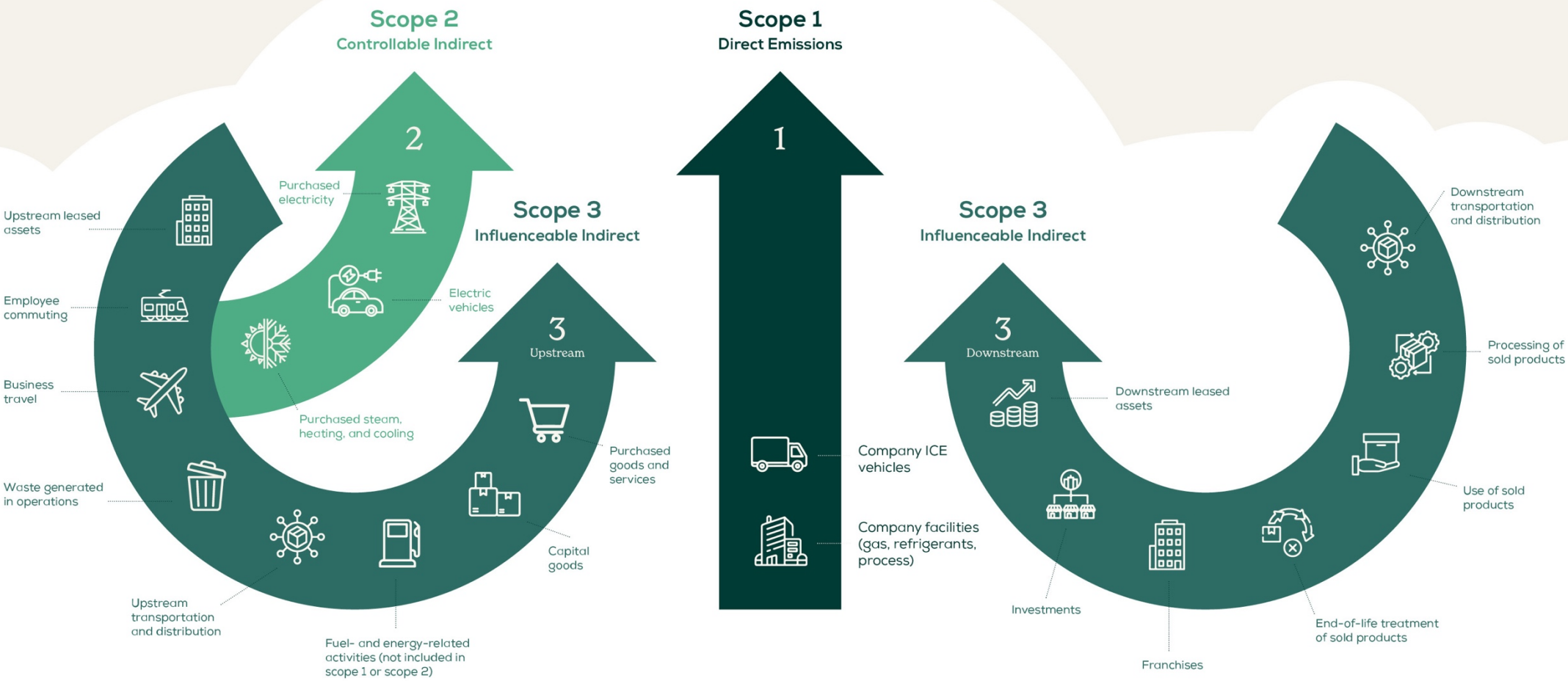
Calculations are based on data provided by Postworks applied to UK Government issued emission factors, with spend data adjusted for inflation where needed. Where available activity-based data (e.g. energy/fuel consumption) has been prioritised; otherwise, a spend-based approach has been applied. Data reported to Positive Planet has undergone high-level review but has not been completely verified to source.

We measured all scope 1, scope 2 and upstream scope 3 emissions.



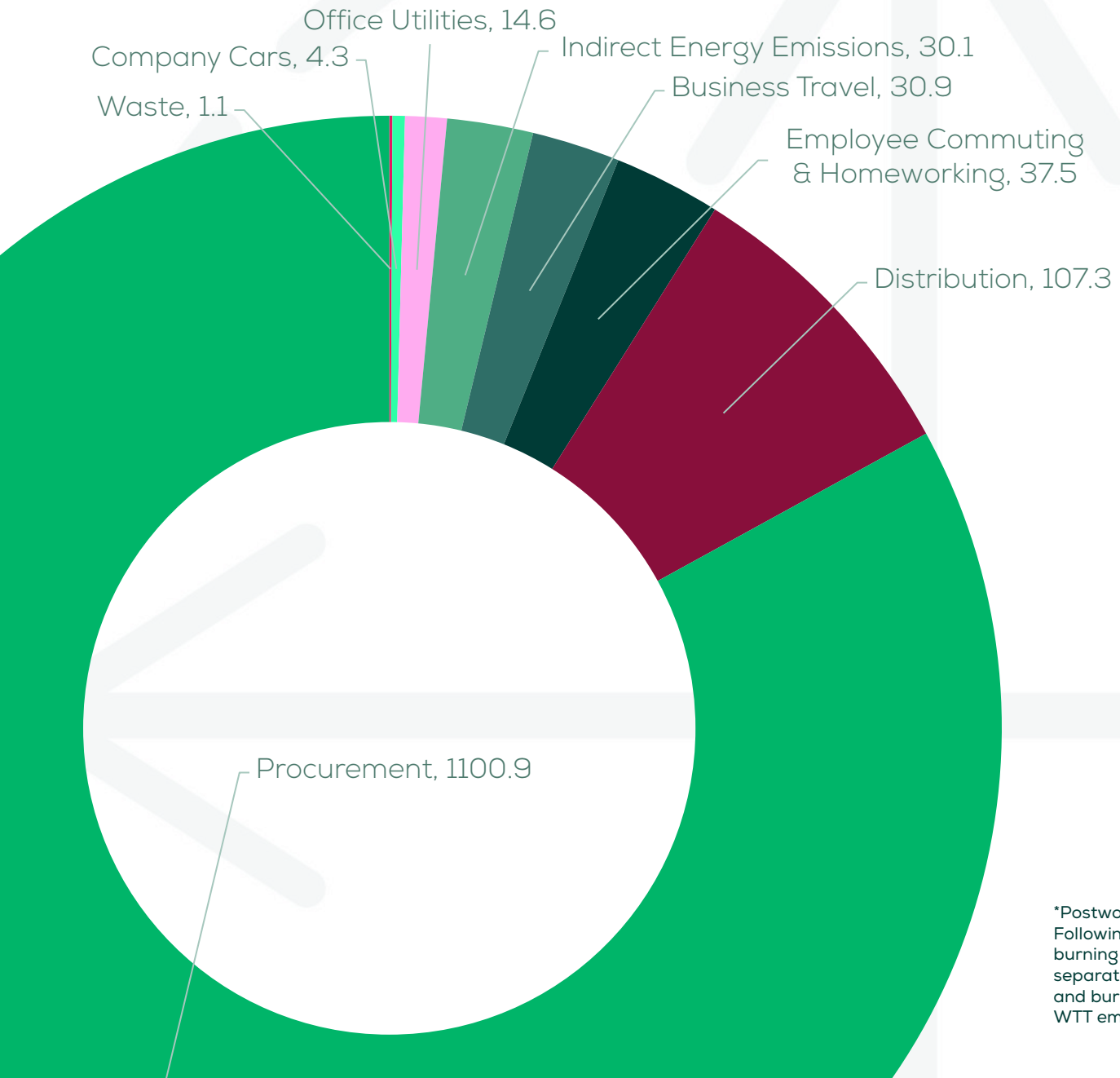
CO_2 CH_4 N_2O HFCs PFCs SF_6 NF_3

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Upstream Activities | Reporting Company | Downstream Activities

Our carbon footprint



Reporting Period:
1st January 2025 – 31st December 2025

Carbon Intensity Per FTE
24.6 tCO_2e / Employee

Carbon Intensity Per £m of Revenue
77.7 tCO_2e / £m of revenue

Scope 1 – 16.0 tCO_2e
Scope 2 (Location-based) – 4.4 tCO_2e
Scope 2 (Market-based) – 2.9 tCO_2e
Scope 3 – 1,307.6 tCO_2e

Total – 1,326.6 tCO_2e

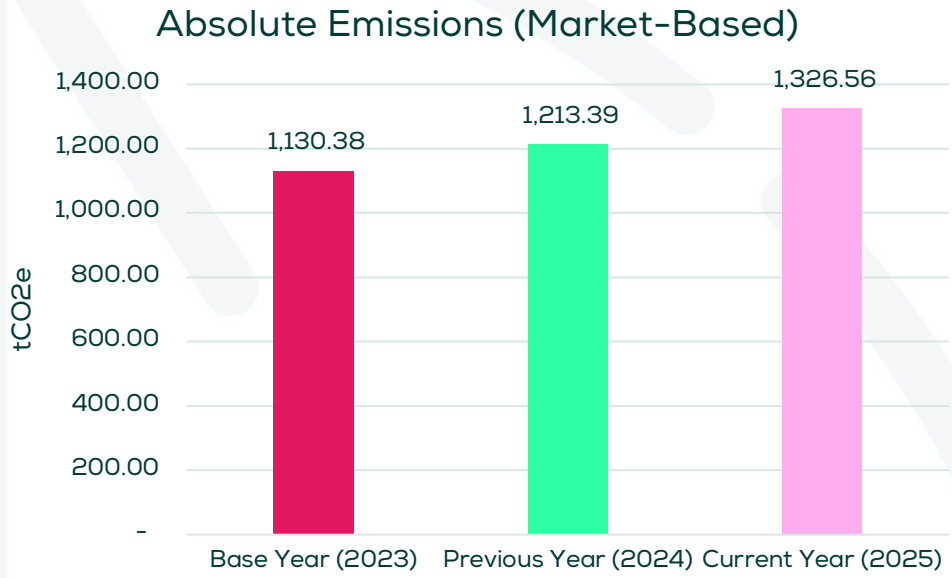
Biogenic emissions – 26.9 tCO_2e*

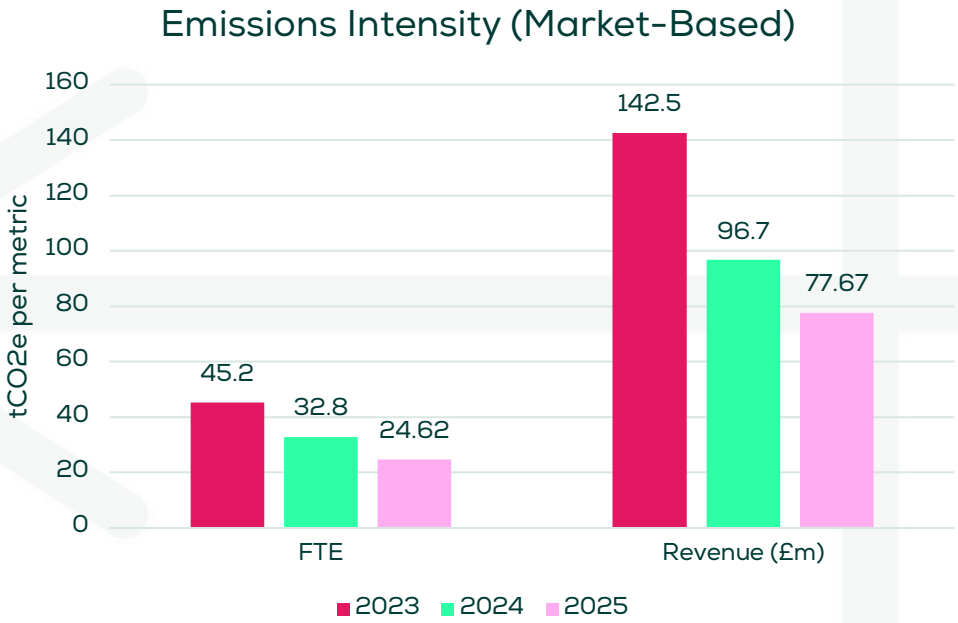
High Impact Activities
- Purchase of Goods & Services
- Transportation & Distribution
- Employee Commuting & WFH

*Postworks' biogenic emissions stem from the use of HVO via Whistl. Following the GHG Protocol, biogenic emissions (CO_2 emissions from burning biomass or biofuels) are considered 'outside of scope' and reported separately to other emissions. This is because the CO_2 impact from growing and burning these plant-based fuels is deemed to be net '0'. CH_4, N_20, and WTT emissions from the use of HVO are accounted for in the main footprint.

Previous years emissions

Our absolute market-based emissions have increased since our baseline year by 17%. Communication volumes are up 72% and revenue has roughly doubled since the base year, while carbon intensity per 1,000 items has dropped by 32%





Whilst our absolute emissions increased, our emissions intensity decreased by 46% (per FTE) and 47% (per £m revenue).

For progress against our targets, see page 26.

Emissions breakdown

Scope 1 emissions

Scope 1 emissions have increased from 4.5 tCO_2e in 2023 to 16.0 tCO_2e in 2025. Our relevant Scope 1 categories responsible for the increase are Stationary Combustion and Mobile Combustion. We do not have anything to report under Process Emissions (as there are no chemical processes happening on our site) or Fugitive Emissions (no leaks were recorded for air conditioning units on site).

Mobile Combustion emissions increased since 2023, due to the purchase of a plug-in hybrid electric vehicle (PHEV) after the base year. This was a temporary operation, with the vehicle sold in June 2026. Emissions are expected to return to baseline levels (zero) for Mobile Combustion after this date. Moreover, emissions would be 0.08 $kgCO_2e$ higher per km had we opted for a diesel car instead of a PHEV.

Tonnes CO_2e	Base Year (2023)	Previous Year (2024)	Current Year (2025)
Stationary Combustion	4.5	8.0	11.7
Mobile Combustion	0.0	1.5	4.3
Fugitive Emissions	0.0	0.0	0.0
Process Emissions	0.0	0.0	0.0
Scope 1 Total	**4.5**	**9.5**	**16.0**

Stationary Combustion emissions have increased in part due to the inclusion of a new site in Bulgaria (Flora). However, data quality plays a larger role in explaining the increase. Direct data was unavailable for both Flora and Wycliffe sites. Emissions from Flora are currently being estimated using homeworking emission factors as a proxy, and emissions from Wycliffe are taken from estimated annual usage from the energy provider. Efforts should focus on improving data quality for the next reporting cycle; data for 2025 can be reviewed and updated accordingly.

Scope 2 emissions

Scope 2 emissions have decreased since the base year across both location-based (-25%) and market-based (-37%) reporting. This is despite opening two new sites since the base year and reflects lower year-on-year reported consumption. Market-based emissions demonstrate a larger decrease because of the increasing proportion of renewables in the standard tariffs procured from providers. Whilst it is promising that energy providers are increasing the proportion of renewables in their fuel mix, this is subject to change year-on-year. Procuring a renewable tariff would lock in zero carbon electricity and avoid emissions increases from changes to energy providers' fuel mixes.

Tonnes CO_2e	Base Year (2023)	Previous Year (2024)	Current Year (2025)
Electricity (Location-Based)	5.9	4.8	4.4
Electricity (Market Based)	4.6	4.9	2.9
Heat & Steam	0.0	0.0	0.0
Scope 2 Total (Market-Based)	4.6	4.9	2.9

Electricity emissions from the PHEV are included within the property emissions reported for Wycliffe, as the vehicle is solely charged onsite. This vehicle was purchased after the base year and has since been sold in June 2026; this resulted in a temporary spike in emissions, with emissions from EVs expected to return to baseline levels (zero) after this date.

Electricity emissions from Flora are also estimated using homeworking emission factors as a proxy, and emissions from Wycliffe are taken from estimated annual usage from the energy provider. As with stationary combustion, processes should be put in place to collect direct activity data for the site moving forward; data for 2025 can be reviewed and updated accordingly.

Scope 3 emissions (upstream)

Scope 3 absolute emissions have increased by 17% since the base year.

Business Travel and Transport and Distribution have remained fairly stable comparing the current year to the base year. Emissions have decreased for Capital Goods (-57% since the base year); emissions fluctuation is expected in this category given the ad hoc nature of capital expenditure annually.

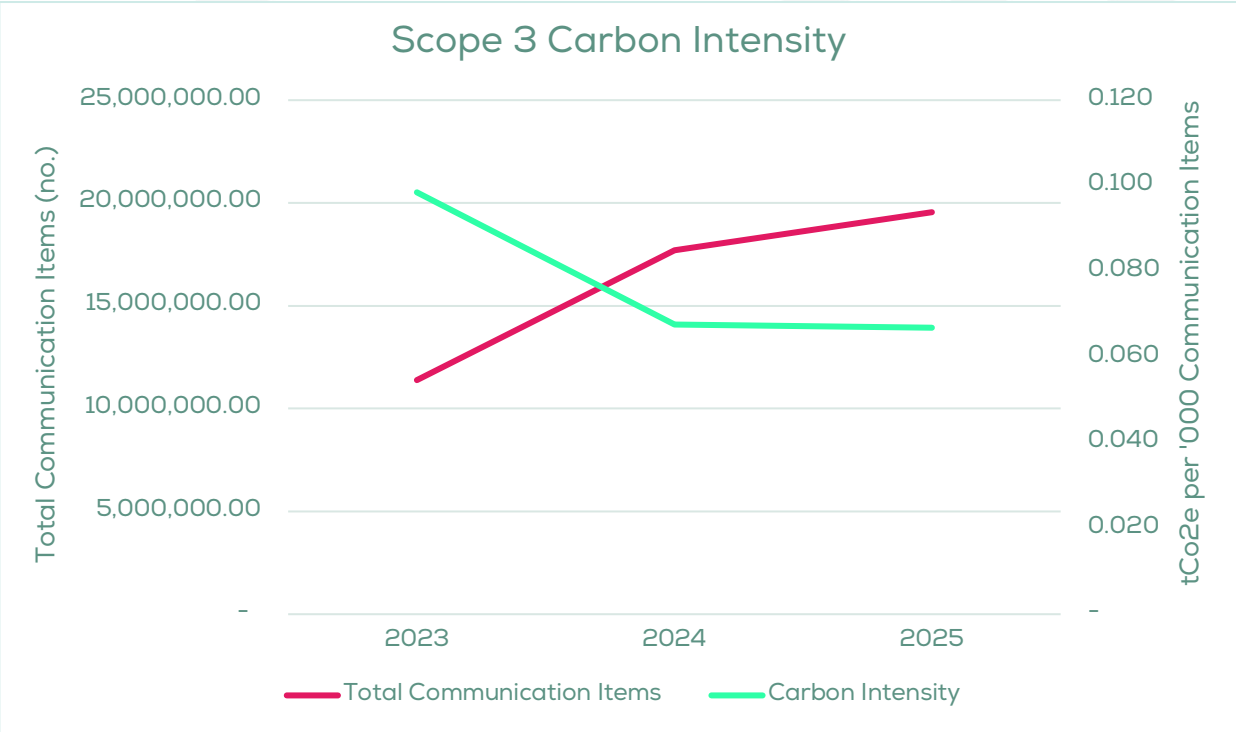
However, categories with significant increases are Purchased Goods & Services (+66%) and Employee Commuting & Homeworking (+111%). This reflects significant business growth since the base year, with revenue and FTE doubling over the same period.

Whilst reporting on absolute emissions allows us to spot overall trends and hotspots, our Scope 3 targets are based on intensity metrics to account for such business growth. Scope 3 emissions intensity is detailed on the next page.

Tonnes CO_2e	Base Year (2023)	Previous Year (2024)	Current Year (2025)
Purchased Goods & Services	594.0	808.2	984.8
Capital Goods	271.2	76.2	116.1
Fuel- & Energy-Related	31.7	44.7	30.1
Transportation & Distribution (Upstream)	90.1	127.0	107.3
Waste Generated in Operations	0.7	0.8	1.1
Business Travel	31.5	11.3	30.9
Employee Commuting & Homeworking	17.7	38.9	37.5
Leased Assets (Upstream)	0.0	0.0	0.0
Scope 3 Total	1121.2	1199.0	1,307.6

Previously, we have reported on our downstream emissions as part of our footprint. As we have introduced new products in the most recent reporting period, we have chosen to focus on our upstream emissions. We will return to reporting on downstream product emissions in the future. For transparency, our previous footprints used to include the following additional emissions under *End-of-Life Treatment of Sold Products*: 84.2 tCO_2e in 2023 and 91.9 tCO_2e in 2024.

Scope 3 emissions (upstream)



	2023	2024	2025
Total Communication Items	11,385,041.00	17,714,527.00	19,551,666.00
tCO_2e per '000 Communication Items	0.098	0.068	0.067
% of Letters	100%	100%	99%
% of Emails	0%	0%	1%

Postworks is measuring its Scope 3 emissions against the physical intensity metric of tCO_2e per '000 Communication Items.

We have chosen to use this metric to assess the carbon efficiency of the business as it grows, as well as capture the positive impacts of reduction actions.

Whilst number of communication items has increased by 72% since the base year, emissions intensity per '000 communication items has decreased by 32% over the same period. This shows that Postworks is making good progress with decoupling business growth from emissions growth.

This year we have introduced a new paperless email product. We anticipate this be a less emissions intensive product and will track product types alongside emissions.

Details of progress against our Scope 3 targets can be found on page 21.

Our reduction targets

What does Net Zero mean?

To achieve Net Zero, we will be aiming to reduce emissions in line with guidance from the Science Based Target Initiative (SBTi).

SBTs are greenhouse gas reduction goals set by organisations. They are defined as "science-based" when they align with the scale of reductions required to keep global temperature increases well below 2°C, and ideally below the 1.5°C agreed in the Paris Agreement, compared to pre-industrial temperatures. SBTs provide organisations with pathways to sustainable transformational change to accelerate the transition to a low-carbon economy.

We have set the following Net Zero targets:

- To reduce our Scope 1 emissions by at least 90% by 2040
- To reduce our market-based Scope 2 emissions by 100% by 2040
- To reduce Scope 3 emissions per '000 communication items by at least 97% by 2040



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 near-term targets

Postworks is committed to reaching Net Zero by 2040. We have also set the following near-term targets using a 2023 base year:

1

Reduce scope 1 emissions by 42% by 2030

2

Reduce market-based scope 2 emissions by 100% by 2030

3

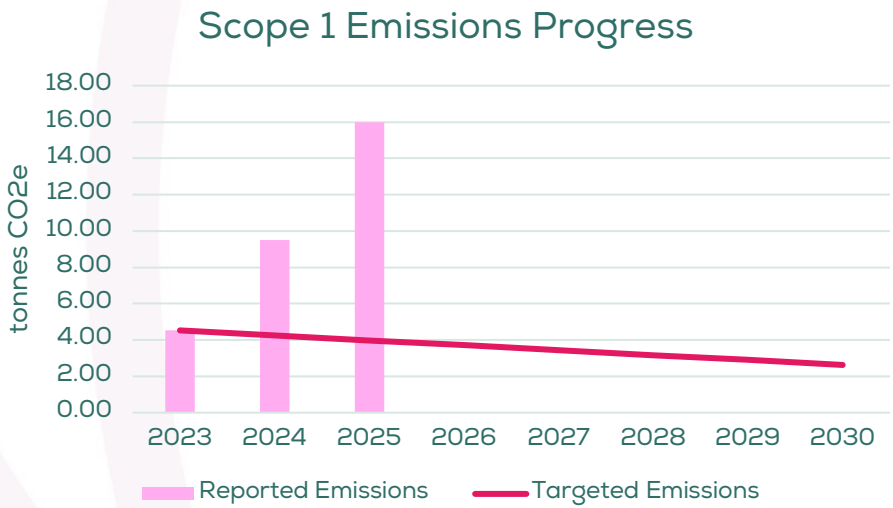
Reduce Scope 3 emissions per '000 communication items emissions by 52% by 2030

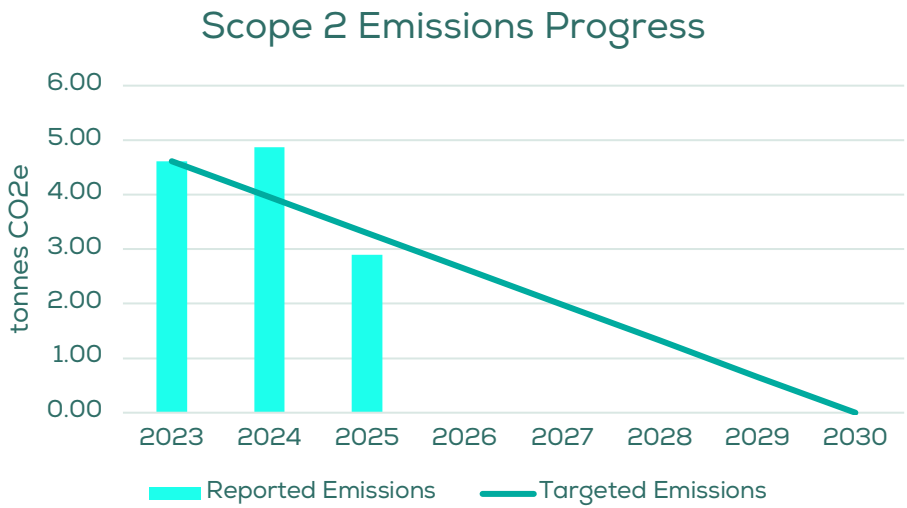
NB: We have updated our Scope 3 target to align with the latest SBTi guidance for aligning with a 1.5°C pathway for intensity-based target setting. We will review our targets following any significant changes to our business, with the release of any new guidance from the SBTi, and as standard every five years.

Progress Against Near-Term Targets

Scope 1 & 2

We have set targets to reduce Scope 1 emissions by 42% and market-based Scope 2 emissions by 100% by 2030. To achieve these targets, we will need to reduce our Scope 1 emissions by 0.3 tCO_2e annually (6%) and our market-based Scope 2 emissions by 0.7 tCO_2e annually (14.3%).





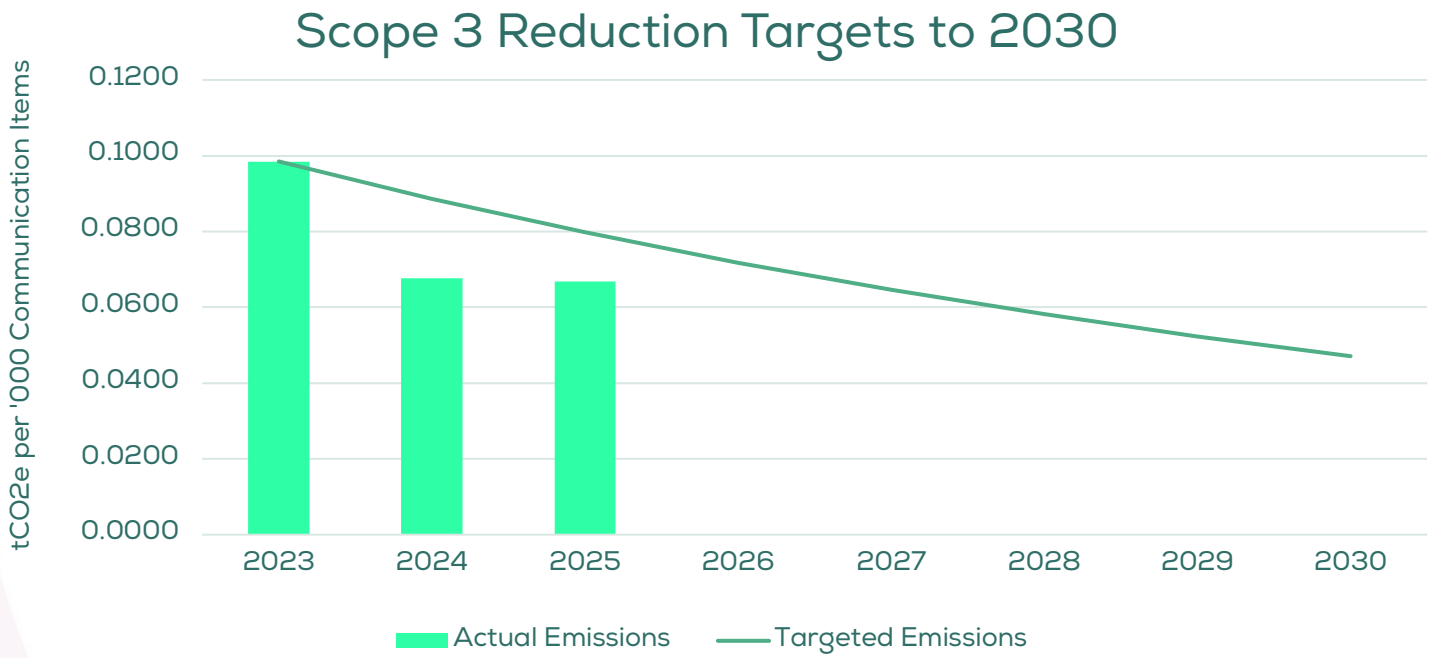
We are currently ahead of target for Scope 2 emission reductions, thanks to the tariffs we procure having a higher proportion of renewables in the fuel mix. To ensure we don't go back on progress if standard tariffs were to change fuel mix, a zero carbon tariff is required.

We are off track to meet our Scope 1 targets. Some of this is due to procuring a company vehicle after the base year, which has since been sold. The majority of emissions, though, stem from property heating. Further details on how we intend to get back on track are listed on pages 23 & 30.

Progress Against Near-Term Targets

Scope 3

Our Scope 3 target is to reduce emissions by 52% per Communication Items by 2030. To achieve this target, we will need to reduce emissions per 1,000 communication items by 10% year-on-year. Communication items include any letter, email or other form of communication used as part of our service.



We are ahead of target to meet our Scope 3 emissions reductions. This is encouraging, given this year is only the first year we have introduced our email product and switched to HVO for transport and distribution with Whistl. We anticipate these changes to contribute to further emission reductions in future years, but will monitor trends closely.

Reducing our emissions



Site Energy Use

Our gas and electricity emissions only make up a small part of our footprint, but as they are scope 1 and 2 emissions, we have a responsibility to reduce them as soon as possible. To reduce our emissions, we will need to ensure that we minimise energy usage where possible and also consider alternatives to natural gas and grid electricity.

We have already achieved our ISO 14001 certification. Over the next few years, we will do several things to further reduce our gas and electricity emissions:

- We will perform a site audit and create a long-term plan for building energy efficiency improvements
- We will switch to a 100% renewable energy tariff by 2030
- We will conduct a renewable energy feasibility study
- We will investigate eligibility for the Boiler Upgrade Scheme to transition to low-carbon heating infrastructure
- We will ensure that energy efficiency is considered when purchasing any new technology or machinery
- We will create and adhere to some site selection criteria that prioritise sustainability (e.g. high EPC rating, no natural gas for heating, easily accessible by public transport, etc).

Materials

In 2025, we purchased 336.8 tonnes of paper products and spent over £300,000 on printer inks and toners. The cradle-to-gate emissions of the paper products and toners/inks purchased were estimated to be around 453 tCO_2e and 327 tCO_2e, respectively.

We have introduced a new email-based product, which would allow us to reduce the amount of physical communications that we are sending out, and therefore reduce the amount of paper products and printer inks that we are required to buy. We are monitoring the share of product types against our Scope 3 intensity metrics to assess the impact on decarbonising our emissions. We will consider including wording and marketing to encourage customers to transition to email-based products where feasible.

Whilst the above will play a large part in our long-term reduction strategy, it is also important for us to continue the search for lower-carbon paper products and printer inks/toners, as they are likely to remain a large part of our operations, at least in the short term.

We have already begun the search for recycled paper that meets our high standards and will assess the feasibility of having a recycled paper option for interested clients. Recycled paper has roughly 22% less embodied emissions vs virgin paper; based on 2025 consumption, this would be a reduction in emissions of 99 tCO_2e, or 7% of the entire footprint.

We will need to work with our suppliers of printer toners and inks to collect high-quality emissions data as a first priority, since we are still measuring these emissions using spend. Where suppliers are not actively working to improve the sustainability of their products, we will need to seek alternatives.

We are also trialling the addition of some messaging to our envelopes, to remind the recipient to recycle the envelope and letter. The impact of this will be difficult to quantify, but studies have shown this to be effective[1].

[1]Thomas, C., V, Sharp., 2013. Understanding the normalisation of recycling behaviour and its implications for other pro-environmental behaviours: a review of social norms and recycling



Courier Services

Couriers play a significant role in the delivery of our service, and their emissions make up 8% of our entire footprint. We completely outsource the delivery of letters and therefore need to ensure that the businesses we partner with for this part of the service are aligned with our goals.

We currently use two courier services, Royal Mail and Whistl. Royal Mail have already begun to implement some successful carbon reduction initiatives and has a Net Zero target of 2040, which aligns with our own. We also work with Whistl, who have a Net Zero target of 2045. From May 2025, we have opted to use Whistl's HVO (Hydrotreated Vegetable Oil) service, which utilitises a lower-carbon fuel alternative. This reduced our emissions by 28 tCO_2e compared to if we had used diesel Whistl vehicles for the same period (May-December).

Longer term, courier services may become a smaller part of our footprint if our email-based product becomes a larger part of our business. This would significantly reduce emissions; for example, to send and receive one letter via Royal Mail generates 26gCO_2e, whereas to send and receive one email generates 6gCO_2e[2]. This is on top of savings from reduced paper & printer ink purchasing.

In the short term, we will continue to work with our couriers to identify any opportunities for reductions that will allow us both to make progress towards our carbon reduction goals. We will ensure any new couriers have also set a Net Zero target.

[2]Figure taken from Mike Berners-Lee (2021) 'How Bad are Bananas? The Carbon Footprint of Everything' and apportioned to activities not accounted for elsewhere in Postworks' footprint.

Commuting & home-working

Our employee commuting and homeworking emissions have increased by 111% since the base year, and we will likely see further increases in this category, as we continue to grow.

Commuting

To reduce these emissions, we will be looking to implement measures that will support and encourage staff to commute via low-emission modes (e.g. active transport, public transport, EVs) by introducing an EV salary sacrifice scheme, sharing information on EV charging sites and installation grants, installing more EV chargers at our sites and subsidising public transport.

Homeworking

We will also explore initiatives that will incentivise sustainable behaviours, such as switching to a renewable energy tariff at home, and we will also consider a home renewable energy project salary sacrifice scheme.





Transport & Travel

Company Vehicles

Our fleet consisted of one Plug-In Hybrid Electric Vehicle during the reporting period. This vehicle was sold in June 2026, meaning emissions for Scope 1 and 2 emissions will be reported as lower in future years compared to this reporting period. This brings us back in line with the standard business operations which were used to set our targets (as no vehicle was owned by the company in the base year).

Business Travel

Many of the actions that we will take to reduce commuting emissions will have an impact on our employee mileage emissions.

Flights, which are our largest source of business travel emissions, will need to be reduced wherever possible. We will introduce a strict approval process for flights, and consider introducing measures such as only allowing employees to travel economy and a ban on domestic flights (or a fly one-way only policy).

Hotel stays also contribute to our Business Travel emissions. To reduce these emissions, we will need to choose sustainable hotels where possible by creating some sustainable hotel criteria and building, over time, an approved hotel list for employees to use.

To capture the impact of reduction actions, we will need to be capturing activity data rather than spend data (e.g. mileage for business travel, supplier-specific emission factors for hotels).

Engagement and awareness

As well as direct carbon reduction actions, it is important for the success of our strategy that we create a sustainable workplace culture and that our team are on board.

Our Team

To raise awareness and increase engagement across the Postworks team, we will look to provide sustainability-focused training for our staff. This will build on the training and engagement we already undertake around our ISO 14001 certification. This will ensure that the entire workforce is equipped with the required knowledge and skills to contribute to our environmental goals and that they feel motivated to do so. We will be sure to give staff adequate opportunities to contribute ideas and to discuss potential barriers to taking action that may inform future actions. We will ensure that everyone is informed by making sustainability a regular meeting item.

Our Policies & Processes

We will ensure our policies reflect and formalise our commitment to sustainability throughout when undertaking our annual review. We will also look to introduce new steps to our processes that allow us to collect the information required to make sustainable decisions and report progress, such as a sustainability credential screening step to our supplier assessment process.



Getting to Net Zero

Getting to Net Zero

Reaching Net Zero is expected to take many years, and each year we will focus on a different set of priorities. These priorities will all be small steps towards the final goals that we have set for each of our business activities.

Scope 1

- In the short term, we will work to improve data quality for gas heating to collect direct activity data and move away from estimates.
- In the long term, we will need to switch to an alternative to natural gas e.g. electric heating, HVAC systems, heat pumps, or low-carbon gas alternatives such as hydrogen. We can make a start with investigating the feasibility of this now.

Scope 2

- Scope 2 emissions are made up of emissions that occur due to the generation of electricity purchased for our office. To reduce our market-based emissions, we need to switch to a 100% renewable energy tariff for all offices and to reduce location-based emissions, we would need to invest in onsite renewable electricity generation.





Getting to Net Zero: Scope 3

Goods & Services: All goods and services will need to be purchased from organisations that have also reached Net Zero. For physical products, this would require the use of only low-carbon materials, and for all purchases, suppliers would need to have reduced their operational emissions (e.g. their electricity use, their commuting emissions, etc).

Courier Services: Courier usage would need to be reduced and/or couriers used would need to be using low-emission goods transportation (e.g. EV or HVO) and would need to reduce their other operational emissions (e.g. their electricity use, their commuting emissions, etc).

Commuting & Homeworking: Increase in staff travelling via low-carbon modes (e.g. electric vehicles, public transport or active transport). Reduction in the emissions intensity of the grid will decrease emissions associated with electricity-powered transport (e.g. EVs, some public transport) and also homeworking emissions. Employees are to be supported and encouraged to commute via low-emission modes, to switch to renewable energy tariffs and home energy renewable technology.

Business Travel: There would need to be a reduction in high-emitting travel modes (e.g. private vehicle travel and flying) until these modes can be considered low-carbon, an increase in use of modes that are already low-emission, such as rail and ferry, and use of Net Zero hotels.

Summary

We are committed to measuring our emissions each year and working to reduce them with the ultimate goal of reaching Net Zero by 2040.

We are proud of our progress to date. Postworks has worked hard to take positive steps to reduce our impact on the planet.

As we continue on our journey to Net Zero, we look forward to collaborating with our teams, suppliers and customers to reduce our shared impact.

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