Our mission is simple: to help get books into the hands of children

Books remain at the heart of our travel offer for passengers. While our extensive books range means our stores are destinations for customers to find entertainment on their journeys, we are also proud to work closely with a range of organisations to give back through books.

At WHSmith, we've always loved the Diary of a Wimpy Kid books, and we know our customers do too. That's why this year, alongside registered charity the National Literacy Trust and publisher Puffin, we launched a "Get Kids Reading with Diary of a Wimpy Kid" campaign to champion literacy, raise funds to get books into the hands of young readers who need them most, and help grow a generation of readers.

The campaign raised money for the National Literacy Trust through every copy of the Diary of a Wimpy Kid book sold by WHSmith stores across the UK. As a result, over £20,000 was raised from customer purchases of the book.

Sharing that love of reading is at the heart of what we do, and this campaign also helped bring books to thousands of children across the UK who might otherwise miss out. Our mission is simple: to help get books into the hands of children, giving them the chance to read, learn and thrive.

Read more about the "Get Kids Reading" campaign at: whsmithplc.co.uk

Raised for charity
£20,310

Diary of a Wimpy Kid books sold
40,621

Sustainability review

WHSmith has a long-standing programme of sustainability activity. As a leading global travel retailer, we recognise the influence our business can have on society and the environment – and the importance of using that influence for good.

Our customers, colleagues and partners expect us to act with integrity, and we know that responsible operations are key to delivering long-term business success. Sustainability is embedded in how we work and is an important part of our business.

Developed through stakeholder engagement, our sustainability strategy targets the issues where our actions can have the greatest impact. It is built around three core pillars – Planet, People, and Communities – which shape our initiatives and guide our progress. These pillars rest on a strong foundation of ethical business practices, providing a consistent framework for responsible action.

Our journey to a sustainable business

Creating value for all stakeholders

Minimising our impact on the planet

Net zero by 2050

Reduce packaging and waste

Zero deforestation in our supply chain

Engaging our people

Protect health, safety and wellbeing

Promote diversity, equity and inclusion

Human rights and supplier management

Contributing to communities

Help children to develop a love of reading

Make a positive impact through fundraising, donations and volunteering

Responsible business policies and processes

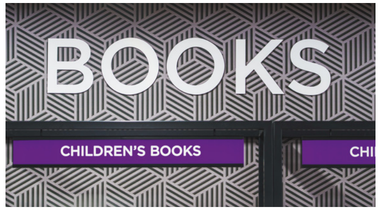
Our sustainability highlights

Reduced Scope 1 and 2 emissions by 89 per cent since 2020, exceeding our science-based target trajectory.

Increased the percentage of emissions in our supply chain covered by science-based targets to 53 per cent.

Completed an initial assessment of nature-based risks associated with our supply chain.

Expanded the reach and influence of our diversity, equity and inclusion employee networks.



Continued our partnership with the National Literacy Trust, running promotions to raise funds for their work.

Sustainability review continued

Governance and our approach to reporting

Environmental and social governance ("ESG") issues are central to risk management, business development and delivery of the expectations of shareholders. A fully embedded framework of clear governance structures, risk management processes and internal controls is key to the delivery of our sustainability activities.

Our Board-level ESG Committee has oversight of our sustainability strategy, setting our ambition and monitoring progress as detailed on pages 92 to 93. Board and executive-level committees ensure that ESG risks and opportunities are well-managed and that we deliver against our sustainability commitments. Our governance bodies regularly discuss new and existing topics that matter to our stakeholders. Priority issues are addressed by programmes and action plans with clear and measurable targets and committed resources.

We undertake an annual materiality assessment to determine the most important sustainability issues for our business. This assessment incorporates the views of stakeholders who provide input in a number of different ways (see pages 34 to 41). We use their feedback to identify areas where our activities could have an impact on society and/or the environment, or where there are significant risks or commercial opportunities for our business.

The assessment is reviewed by our ESG Steering Committee and is used to determine what we measure and include within our reporting, which is also informed by stock exchange listing and corporate governance rules. Further details are provided in our **Sustainability Addendum** and **Policies and Position Statements**.

Our governance framework

Board

Ultimate responsibility for all aspects of ESG, including strategy, risk management and prioritisation of key issues

Audit Committee

Provides oversight of risk management of ESG, including internal controls and external reporting requirements

ESG Committee

Provides oversight of the ESG strategy and monitors progress against objectives and targets

Remuneration Committee

Ensures remuneration policies and plans support ESG targets

Group Executive Committee

Defines and monitors business strategy and financial plans, including those related to ESG

Business Risk Committees

Responsible for implementing risk management processes, including those relating to ESG

ESG Steering Group

Responsible for developing ESG action plans and delivering progress against objectives and targets

Sustainability review continued

The ESG Committee has responsibility for ensuring the Group has appropriate climate policies, action plans and targets that are part of a wider sustainability strategy. This includes the development of short, medium and long-term goals and targets in relation to climate change, development of a carbon transition plan and monitoring progress. This year, the ESG Committee discussed climate change in four meetings.

The ESG Committee received dedicated briefings from the Sustainability Director on current and emerging legislation, including changes to reporting requirements in the UK and Europe, and reviewed progress against the Group's carbon targets. Climate-related skills and experience of individual ESG Committee members are set out on pages 72 to 73.

The Remuneration Committee ensures that, where appropriate, the Group's incentive plans are aligned with targets relating to climate change. Climate-related performance indicators have been included in the Long-Term Incentive Plan awards as set out on page 102.

We engage with a number of external proxy agencies, benchmarking schemes and other membership organisations. We are signatories of the UN Global Compact and we continue to rank highly in external benchmarks and indices (correct as at 31 August 2025).

Benchmark	External rating
Member of Dow Jones Sustainability Indices Powered by the S&P Global CSA	Again included in the Dow Jones Sustainability World Index based on long-term economic, environmental and social criteria (now renamed Dow Jones Best in Class Index). One of only 11 speciality retailers to be included globally.
SUSTAINALYTICS a Morningstar company	Received an ESG Risk Rating of 10.3 from Sustainalytics assessed at low risk of experiencing material financial impacts from ESG factors. This rating places us in the top position for speciality retailers.
ENVIRONMENTAL QUALITYSCORE HIGHEST RANKED BY ISS ESG 1	Awarded a "C+" rating by Institutional Shareholder Services, placing in the top decile for sustainability industry leaders.
MSCI ESG RATINGS AAA (CCC B BB BBB A AA AAA)	AAA, the highest possible rating awarded by Morgan Stanley Capital International in its ESG assessment, signifying a leader in managing material ESG risks and opportunities relative to industry peers.

Responsible business practices

We place great importance on our business operating in a responsible and ethical manner. We aim always to act with integrity, making the right decisions and demonstrating the appropriate behaviours to earn the respect of our customers and all those with whom we do business. We expect our people to report areas of non-compliance and for all such areas to be appropriately investigated and acted upon. Unfortunately, the Deloitte Review has shown that we have fallen short of these standards in our North American business. The Board recognises the need to do better going forwards. The remediation plan that it has introduced includes robust measures to seek to ensure that all parts of the Company act with integrity, and our colleagues understand the role they have to play to ensure the business operates responsibly and ethically.

Our **Code of Business Conduct** sets out how our business operates, and what is expected of every person who works for, and on behalf of, WHSmith. It includes policies relating to individual conduct, such as for anti-bribery and anti-corruption measures, conflicts of interest and data protection, as well as those relating to how we work together, such as for DEI, anti-harassment and bullying, and health and safety. It also sets out our business standards in relation to fair trading practices, such as pricing and marketing, quality and product safety, trade controls, competition and supply chain practices.

All colleagues are required to confirm that they have read, and are working in accordance with, our Code of Business Conduct on an annual basis and are encouraged to report any suspected breaches. Everyone who works for, or on behalf of, WHSmith has a responsibility to report anything that they are aware of that may be unlawful or criminal, or could amount to an abuse of our policies, systems or processes. Reports can be made internally or using our independently operated and confidential whistleblowing helpline at **safecall.co.uk/report**.

Safecall operates under a non-retaliation policy, so that anyone who raises a concern in good faith is treated fairly. Each report is formally and robustly investigated and monitored to ensure that any corrective action or remediation has been undertaken. The helpline is available to our suppliers and business partners and is communicated through our **Responsible Sourcing Requirements**. These standards set out in more detail the behaviours and conduct we expect from all suppliers.

We require all colleagues and anyone working for us in any capacity to comply with the UK Bribery Act, in addition to any local anti-bribery and anti-corruption laws. Our Code of Business Conduct states that colleagues or others working on our behalf must never offer or accept any kind of bribe, and that our subcontractors, consultants, agents and others we work with must have similar anti-bribery and anti-corruption measures in place.

Sustainability review continued

Planet

	Aim	Target	Progress
Climate action	**Net zero emissions by 2050**	By 2030: reduce absolute Scope 1 and 2 emissions by 80 per cent from 2020 base year.	Absolute Scope 1 and 2 emissions for the continuing business reduced by 89* per cent since 2020.
		By 2027: 75 per cent of suppliers by emissions covering purchased goods and services and up-stream transport and distribution will have science-based targets.	As of 31 August 2025, 53* per cent of purchased goods and services and up-stream transport and distribution emissions are covered by science-based targets.
Reducing waste	**Reduce the environmental impact from waste and packaging**	By 2025: reduce waste material and minimise own-brand plastic packaging against a 2020 baseline.	Waste generated from the discontinued business reduced by 20 per cent. Waste in the continuing business is segregated and minimised, but no data is available because collection is aggregated by landlord partners with waste from other retailers.
Protecting natural resources	**Net zero deforestation**	By 2025: ensure forestry materials in own-brand and non-trade goods come from recycled or certified sources.	100* per cent of pulp, paper and timber in own-brand and non-trade products purchased during 2025 came from certified sources or recycled materials.

We engaged SLR Consulting to provide independent limited assurance covering components of the data marked with an asterisk (*) in accordance with assurance standard ISAE 3000. Full details of the methodology and SLR Consulting's assurance statement are available at **whsmithplc.co.uk/sustainability**

Climate action

We recognise we have a responsibility to reduce the impact on climate and nature from our activities. WHSmith is targeting net zero across our full value chain by 2050, aligned with the scientific pathway to limit global warming to no more than 1.5˚C averaged above pre-industrial levels.

We have already made good progress towards this target, reducing emissions by 89 per cent since 2020. We have a long track record of reducing energy consumption and increasing efficiency, investing in technology and equipment, and switching to lower-carbon sources of energy and fuel.

But we know that more is needed, particularly for emissions in our wider value chain, and so we continue to work with our suppliers to encourage them to focus on setting out their own trajectories to net zero. 53 per cent of Category 1 and 4 supply chain emissions are now covered by science-based carbon reduction targets.

Our carbon transition plan includes a number of initiatives to reduce carbon emissions from stores and logistics, to switch more of our power to renewable sources and to take action to adapt to the changing climate.

We know that we will not be able to reach net zero in isolation, and encourage customers, suppliers, business partners and policy makers to join us on our journey.

This year, we have separated the energy and carbon data for our continuing and discontinued businesses, with previous years being recalculated so that baselines, trends and current status can be compared.

More information on our climate strategy, including commitments, climate risks, opportunities and action plans for transitioning to net zero, is included in our climate-related financial disclosures on pages 52 to 62.

Sustainability review continued

Reducing waste

Waste is not only damaging to the environment but adds additional cost to our business. We are focused on reducing excess materials and maximising recycling wherever we can.

The majority of waste from our continuing business arises from stores where our landlord partners are responsible for central shared collection and treatment facilities. These include airports, railway stations and hospitals, where all waste is aggregated from multiple tenants, and store-specific waste data is not available.

We participate in site-level working groups with some of our partners to look at ways of working together with other retailer partners to reduce waste generated at a site, and improve segregation for recycling.

We operate a recycling system which enables us to recycle most forms of waste, including cardboard, paper, plastics and metals. Separate facilities for waste segregation are available in our stores, distribution centres and support centres.

Reusable skips transport goods between distribution centres and stores, minimising the need for more disposable packaging made from cardboard or plastic.

We regularly review the type and quantities of packaging we use for our own-brand products, including both primary and secondary packaging used to protect goods during transit and distribution.

We look for ways to minimise packaging where possible and use cardboard and forms of plastic that can be recycled where these provide a better environmental option than virgin and hard-to-recycle materials.

In the UK, we are reviewing the implications of Extended Producer Responsibility legislation, and looking at ways to minimise financial costs through more effective packaging design.

We are in regular dialogue with many of our suppliers of tertiary branded products, particularly for our food and drink ranges, and are monitoring developments in the industry in relation to increased use of recycled materials.

We continue to focus on reducing food waste, which predominately arises from chilled food that has reached its use-by date. Our stock control systems use historical and predictive data to order enough food to meet customer demand, while ensuring that we only stock food that we expect to sell.

In order to further reduce waste, we operate a discounting strategy to reduce the price of chilled food that is approaching, but has not yet exceeded, its use-by date.

We partner with the food redistribution organisation Too Good to Go, who provide an online application to connect customers to any of our stores that have surplus unsold food.

This application allows customers to reserve a bag of food, which is approaching its use-by date, to purchase later in the day from a WHSmith store at a reduced price.

Natural resources

Our **Biodiversity Policy** sets out our standards and requirements for our supply chain and includes a zero deforestation policy for any WHSmith-branded products. Our standards require that all paper, card and wood for our own-brand products are sourced from legal and well managed forests that have been certified to credible certification standards such as FSC® or PEFC™ or from verified recycled sources.

Suppliers must provide proof of Chain of Custody certification and in line with the requirements of national and international timber regulations, we carry out an assessment of supplier timber-sourcing systems.

Through our due diligence processes, we can demonstrate that 100* per cent (2024: 100 per cent) of WHSmith-branded products containing paper-based materials originate from certified or recycled material.

Preparations are well under way to comply with EU Deforestation Regulations, where in-scope products in Europe which are made from cocoa, paper or timber, will be risk assessed in accordance with the legislation.

This year, we completed a biodiversity risk assessment aligned to the Taskforce for Nature Disclosures ("TNFD") framework and covering the full value chain, including operations, upstream and downstream activities.

This assessment of both dependencies and impacts identified that the main biodiversity risks for WHSmith are associated with sourcing of products made from high volume commodities such as cocoa and coffee.

A secondary risk is associated with increasing regulatory impacts based on components that have potential nature-related impacts such as packaging and product origin requirements for deforestation.

We are now looking at how we should respond to these risks through additional mitigation and incorporating our responses into our climate transition planning.

Sustainability review continued

Our people

	Aim	Target	Progress
Employee experience	**Create an environment that supports physical, mental and financial wellbeing**	By 2025: improve our employee engagement score from a 2021 base year.	Our fourth global engagement survey undertaken in October 2024 showed a 27 per cent improvement in engagement levels. Health, safety and wellbeing have remained a priority, with a continued focus on root cause analysis for any accidents. This year, we ensured that learning opportunities were included within individuals' performance review discussions.
Diversity, equity and inclusion	**Increase diversity of senior management**	By 2025: increase gender and ethnic diversity of the Board, Group Executive and senior manager populations from a 2021 base year.	The proportion of women at Board level has increased from 37 to 50* per cent. Following the sale of the High Street and Funky Pigeon businesses, within the continuing business: • the proportion of women at Group executive level has reduced from a baseline of 22 to 11* per cent • the proportion of female senior managers has increased from 32 to 33* per cent • six* per cent of senior managers are from ethnic minorities.
Human rights in our supply chain	**Protect workers rights in our own supply chains**	By 2025: 15 per cent of own-brand suppliers will have worker representation committees in place.	20* per cent of own-brand suppliers have worker representation committees in place.

We engaged SLR Consulting to provide independent limited assurance covering components of the data marked with an asterisk (*) in accordance with assurance standard ISAE 3000. Full details of the methodology and SLR Consulting's assurance statement are available at **whsmithplc.co.uk/sustainability**. All data in this table is for the continuing business other than the engagement score which is for the Group pre-divestiture of the High Street and Funky Pigeon businesses

Employee engagement

Effective colleague engagement and an open, inclusive culture are essential to creating an environment for our teams to deliver for our customers. We continue to focus on ways in which our colleagues can share their experiences of working with WHSmith. Our Group Chief Executive, Group CFO and the Managing Directors of each division brief our support centre teams on a monthly basis to provide updates on the Company's strategy and the latest operational developments and answer any questions.

We have a number of communication channels that are used for engaging colleagues across the business, including feedback forums with senior management and various network committees with executive sponsors.

To help us to understand more about how our colleagues feel about working for WHSmith, we use a third-party research organisation to carry out our annual engagement survey. The results of the survey are used to improve the working environment in support centres and stores; advance dialogue and engagement; and build collaboration across our teams.

Sustainability review continued

Talent, learning and development

Our talent, learning and development programmes are designed to provide our colleagues with the knowledge and skills they need to deliver their role and to support them as they develop their careers. We provide a range of learning opportunities designed to help our colleagues develop their aptitude and experience.

These include online courses, development workshops, mentoring and coaching and we continue to review and progress these activities, to ensure that they meet the requirements for our business and colleagues. Individuals also have regular career conversations with their managers during the year, with more formal performance reviews taking place twice yearly.

Reward and benefits

We believe in rewarding all colleagues with fair and competitive reward packages. All colleagues are entitled to a base salary and benefits, including pension and staff discount. Participation in a pension plan is offered to all colleagues in accordance with local legislation. We support working from home through hybrid working arrangements in roles where remote working is feasible.

In the UK, WHSmith operates a government-approved Save-As-You-Earn share option scheme, which provides colleagues with the opportunity to acquire shares in the Company on favourable terms. At the end of the savings period, the participant has the opportunity to buy the shares at a special option price that is fixed at the start of the scheme at a discount to the share price at that time. As at 31 August 2025, 337 colleagues were participating.

Health, safety and wellbeing

We are committed to maintaining high standards of health, safety and wellbeing and the Board monitors the Company policies, processes and practices on an annual basis. The Group has a number of health and safety committees that comprise colleague representatives and professional health and safety advisers.

Colleagues receive health, safety and wellbeing training appropriate to their role, including in relation to fire safety, manual handling, how to prevent slips, trips and falls and how to recognise and help colleagues who may be affected by poor mental health. The **Group Health and Safety at Work Policy** is the basis for our health and safety management system, which sets out responsibilities, processes and procedures.

This year, there were 42* reportable accidents across the Group involving colleagues, contractors and members of the public and no fatalities. We continue to look at the root causes of safety incidents to try to eradicate them at source.

To help protect the broader wellbeing of our colleagues, we are committed to creating a workplace where our colleagues feel valued, have a sense of belonging and are supported at every stage of their career. Our aim is to ensure that all line managers are trained in mental health awareness and that they have access to the right tools to be able to support colleagues who may be experiencing stressful life events.

WHSmith has partnered with several organisations to ensure our mental wellbeing provision is robust and meaningful. In the UK, the Retail Trust provides our Employee Assistance Programme (“EAP”), offering support for colleagues and immediate family members, and in-store counselling when incidents occur. Localised EAP offerings are also available for colleagues in other countries.

Research shows that financial wellbeing can have a strong impact on our mental health. Current and retired colleagues and their families who are in financial difficulty or hardship can apply for help from the WHSmith Benevolent Fund, a registered charity established in 1925. Financial support and many useful budgeting and educational resources are also available for our colleagues to access through our EAP.

Diversity, equity and inclusion

At WHSmith, our people are fundamental to the success of our business whatever their age, race, religion, gender, sexual orientation or disability. We continue to focus on developing a culture of DEI, backed up by a framework of policies, procedures and ways of working, including a Board-approved **DEI policy**.

We hope that our people genuinely feel that they can bring their whole selves to work. We want to ensure that all our colleagues receive equal and fair treatment, and this applies to recruitment and selection, terms and conditions of employment, promotion, training, development opportunities and employment benefits. We believe in creating a working environment that is free from discrimination and harassment, and we will not permit or tolerate this in any form.

Our DEI action plan sets out how we are working towards our goal of creating an environment where everybody is welcome and feels they belong. Our DEI Committee enables colleagues from across our business to engage directly with leadership and work collaboratively on improvements.

Sustainability review continued

We recognise the value that employee networks can bring. This year we added a seventh employee network for international colleagues, InternationALL, to our existing networks covering Pride, Gender Equity, Race and Culture, Disability, Parents and Carers, and Wellbeing. These groups have provided a channel for colleague-led engagement and input to our DEI priorities.

The networks are each sponsored by a member of the Group Executive, providing visible senior leadership and a way for colleague views to be relayed to the senior management team.

We run regular internal engagement campaigns linked with key events during the year, including International Women's Day, Pride, Black History Month, International Day of Persons with Disabilities and a variety of religious celebrations. These activities are always framed as part of our wider DEI strategy.

Our external partnerships continue to evolve and allow us to externally benchmark our work. We have signed several industry charters, committing to making progress on improving DEI in our business.

We are signatories to the British Retail Consortium's Race at Work Charter, and are members of the industry organisation, Diversity in Retail. We have continued our involvement with the Stonewall Diversity Champions programme, developed to unlock the potential of our LGBTQ+ workforce. We also partner with the Business Disability Forum.

In terms of equal opportunities, the Company gives full and fair consideration to applications for employment when these are received from disabled people. Training, career development and promotion opportunities are equally applied for all our colleagues, regardless of disability.

We remain committed to improving diversity at senior levels. Our latest Gender Pay Report can be found on our website.

Gender representation as at 31 August 2025 (continuing business)

	Number of employees	Percentage of employees	Number of senior managers	Percentage of senior managers
Men	3,923*	42%*	45*	65%*
Women	5,367*	57%*	23*	33%*
Not specified/prefer not to say	51*	1%*	1*	2%*

Ethnic representation as at 31 August 2025 (UK continuing business)

	Number of employees	Percentage of employees	Number of senior managers	.Percentage of senior managers
White British or other White (including minority-white groups)	2,742*	59%*	47*	85%*
Asian/Asian British	1,050*	22%*	2*	4%*
Black/African/Caribbean/ Black British	182*	4%*	0*	0%*
Mixed/multiple ethnic	82*	2%*	1*	2%*
Other ethnic group	104*	2%*	0*	0%*
Not specified/prefer not to say	501*	11%*	5*	9%*

Senior managers include executive management and direct reports defined as colleagues graded at levels one and two below

We engaged SLR Consulting to provide independent limited assurance covering components of the data marked with an asterisk (*) in accordance with assurance standard ISAE 3000. Full details of the methodology and SLR Consulting's assurance statement are available at **whsmithplc.co.uk/sustainability**

Human rights and our supply chain

As a global retailer, we have a responsibility to respect and support the dignity, wellbeing and human rights of those in our own business, our supply chain and the communities that we serve.

We must act in a way that avoids infringing the rights of others and prevents adverse human rights impacts. We manage this through due diligence processes in line with the United Nations Guiding Principles for Business and Human Rights.

Our **Human Rights Policy** sets out the minimum requirements that everyone working for, and with, WHSmith must meet.

We are committed to ensuring full respect for the human rights of anyone working for us in any capacity and to fair and safe work for all workers throughout our supply chain.

We prioritise those risks where the impact on workers is likely to be greatest and where we are likely to be able to have the greatest impact through our actions.

The six priority areas for protecting human rights in our supply chain are: health and safety; freedom of association and collective bargaining; working hours and overtime; gender equality; social insurance; and supply chain transparency.

Sustainability review continued

We use a number of external sources of information and data published by governments, international agencies and other third-party experts; and information gathered from workers during site visits, surveys and on-site meetings.

We take a zero-tolerance approach to modern slavery and our latest Modern Slavery Statement sets out the steps we have taken to implement this stance.

WHSmith is a member of the Ethical Trading Initiative ("ETI"), an alliance of companies, trade unions and non-governmental organisations that promotes respect for workers' rights around the globe.

Our **Responsible Sourcing Requirements** are based on the ETI Base Code and underpin our strategy and sustainable sourcing activities. We will only place orders with suppliers who are committed to working towards compliance with these standards, and we endeavour to bring about continual improvement through a programme of factory audits and ongoing engagement.

This year, we participated in several working groups with other retailers to discuss ways of working together and to help to develop the next phase of ETI's strategy.

WHSmith is also a member of the United Nations Global Compact ("UNGC") and this year has participated in the Modern Slavery working group with other retailers to discuss challenging topics and how to work collaboratively to respond. The working group also provided an opportunity to participate in a peer review exercise of modern slavery statements, supporting further development of our work in this area.

Our due diligence processes seek to provide risk control, mitigation and worker remedy where needed. WHSmith's Audit and Engagement team conducts audits of our own-brand suppliers at least every two years, assessing compliance with our standards and grading suppliers as gold, silver, bronze and unacceptable.

The team uses a risk-based audit approach for tier two suppliers who manufacture major components that are then used by our direct tier one suppliers of finished products. We continue to work with our supply chain to build capacity to improve standards.

We use a mix of announced and unannounced audits, and a factory must be graded bronze or above if we are to work with them.

Our ESG Committee reviews progress against our responsible sourcing strategy annually, looking at our audit and engagement programmes, emerging risks, targets and performance.

The most frequent issues encountered include non-conformances linked to health and safety compliance, working hours and social insurance requirements, all common problems in China where a large proportion of our suppliers are based. We are working with ETI and other retailers to look at ways of tackling these systemic challenges.

To supplement the information we gain from supplier audits, our team also spends a significant part of its time engaging with suppliers on an ongoing basis to build stronger and more transparent relationships.

The team's engagement focuses on resolving specific issues identified during audits and on delivering wider projects to help suppliers deliver on key areas such as worker representation or health and safety.

We have an independent hotline for workers to report issues they are concerned about, which we then investigate and follow up with supplier management to ensure any complaints or suggestions are dealt within the appropriate way. In addition, we conduct an anonymous worker survey where workers can provide feedback. Queries raised typically involve queries about topics such as pay, accommodation and relations with other workers.

This year, we continued to make good progress against our target to increase the number of suppliers covered by our worker representation initiative.

The aim of this programme is to help suppliers to develop fully functioning worker committees to represent workers on any matter affecting their rights, employment conditions or working environment to resolve problems as they arise.

Of the 138* factories of suppliers who continue to supply to WHSmith as at 31 August 2025, 20 per cent* (2024: 19 per cent) of them have established worker committees that have been operating for a year or more.

Our due diligence processes for products that do not carry our brand include an assessment of compliance with our Responsible Sourcing Requirements. All trade products are now risk assessed prior to purchase on the basis of country of origin and type of product supplied.

Any higher risk products are further assessed through a review of third-party audit reports to ensure compliance with our environmental and social requirements.

We have also introduced a process at the supplier onboarding stage to ensure that suppliers are aware of, and can operate in accordance with, our Responsible Sourcing Requirements.

Sustainability review continued

Contributing to communities

	Aim	Target	Progress
Literacy	**Help children to develop a love of reading**	By 2025: work with the National Literacy Trust to provide a book to every child in the UK who does not own one of their own.	The target was based on 2019 research by the National Literacy Trust which suggested nearly 400,000 children in the UK did not own a book of their own. Since then, WHSmith has donated over 600,000 books (or cash equivalents) to those most in need.
Supporting charities and local causes	**Make a positive impact through fundraising, donations and volunteering**	By 2025: increase the number of colleagues involved in supporting charities through fundraising and volunteering from a 2021 baseline.	Applications for support to the WHSmith Trust from colleagues supporting charities through fundraising and volunteering were 20 per cent higher than in 2021.

We engaged SLR Consulting to provide independent limited assurance covering components of the data marked with an asterisk (*) in accordance with assurance standard ISAE 3000. Full details of the methodology and SLR Consulting's assurance statement are available at **whsmithplc.co.uk/sustainability**

WHSmith has a long history of supporting charities, local communities and other worthwhile causes through a variety of initiatives. The Company actively engages in fundraising, encourages its staff to volunteer, and provides financial and in-kind donations to make a positive difference in the areas where we operate.

We regularly raise money for registered charities through in-store fundraising and sales of cause-related products. To support and encourage employee involvement with charities, the WHSmith Group Charitable Trust (the "WHSmith Trust") matches funds raised by colleagues for charities of their choosing and provides financial donations to charities where colleagues have chosen to volunteer.

This year, through our charity partnerships, colleague and customer fundraising and in-kind donations we have donated £1,059,000* to charities and other good causes.

WHSmith has long been passionate about nurturing a love of books among children, wanting them to develop the reading and writing skills that help them thrive in life.

Unfortunately, research shows that the number of children and young people who say they enjoy reading in their free time continues to decline.

We have been a long-term partner of the National Literacy Trust who are working to try and reverse this trend, and this year, we continued our support for their Young Readers' Programme, providing books and other materials for schools in socio-economically disadvantaged areas.

This was amplified by the WHSmith Trust which provided a financial contribution towards the programme. Over the past five years of our work with them, we have donated the equivalent of over 600,000 books, through book donations and financial contributions.

Other literacy projects this year included participation in World Book Day with almost 317,000 World Book Day vouchers being redeemed in our stores. We ran a programme in partnership with the WHSmith Trust donating WHSmith vouchers to local schools to exchange for books in our stores to increase school library resources. We also ran a promotion in conjunction with Puffin and the National Literacy Trust to "Get Kids Reading with Diary of a Wimpy Kid". The promotion raised over £20,000.

In North America, we have a longstanding partnership with a charity called Miracle Flights, which is a non-profit organisation providing commercial flights for children in need of life-saving medical care, not available in their local hospitals. WHSmith North America sells their toy bear mascot in stores and this year raised over £226,000 for the work of the charity.

Our International team has also raised money and provided product donations for local charities and causes in the vicinity of our airport stores.

The full extent of our community investment activity is outlined in our **Sustainability Addendum** 2025 and details of how we engage with charities and other good causes are set out in our **Code of Business Conduct**.

Sustainability review continued

Climate-related financial disclosures

Introduction

The Task Force on Climate-related Financial Disclosures ("TCFD") established a framework for understanding and analysing climate-related risks and opportunities. WHSmith recognises that climate change presents a number of potential risks and opportunities for our business. Our target is to be net zero across our value chain by 2050.

In line with the requirements of UK Listing Rule 6.6.6R(8), our disclosure of climate-related financial information is consistent with the Recommendations of the TCFD, and its recommended disclosures and all-sector guidance. Our approach to materiality for TCFD reporting is the same as for other components of ESG and is set out on page 43. Governance for climate issues is aligned with wider ESG Governance controls as shown on page 43.

Board oversight of climate risks and opportunities

The Board has ultimate responsibility for ensuring climate change is embedded into the Group's strategy, risk management, financial and business planning processes. It monitors and oversees progress against targets for climate-related issues. Climate considerations are included in performance monitoring and any decisions regarding major financial approvals and acquisitions. The ESG, Audit and Remuneration Committees of the Board provide oversight of certain climate-related activities, and any issues of material significance are discussed as they occur. The work of the Committees is detailed on pages 89 to 98.

The Audit Committee has responsibility for ensuring that the Group has identified climate risks and opportunities, that those risks and opportunities have been adequately assessed, and that appropriate risk management, monitoring and mitigation plans are in place. The Committee also oversees the Group's wider obligations in relation to non-financial reporting. Climate-related matters are incorporated into quarterly updates from the Group Audit and Risk Director where significant, as part of the Group's wider risk management processes.

TCFD recommendations and recommended disclosures

	Disclosure location
Governance	
(a) Describe the Board's oversight of climate-related risks and opportunities	Page 52
(b) Describe management's role in assessing and managing climate-related risks and opportunities	Page 53
Strategy	
(a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term	Pages 55 and 56
(b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning	Pages 54 to 56
(c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	Pages 54 to 56
Risk management	
(a) Describe the organisation's processes for identifying and assessing climate-related risks	Page 53
(b) Describe the organisation's processes for managing climate-related risks	Pages 55 to 57
(c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management	Pages 56 and 57
Metrics and targets	
(a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	Page 58
(b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas ("GHG") emissions, and the related risks	Pages 60 and 61
(c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	Page 62

Sustainability review continued

Management's role

The Group Chief Executive has the delegated authority from the Board to manage WHSmith's actions in relation to the Company's strategy and climate change. He is assisted by a number of senior managers in the assessment and management of climate-related matters.

- The Group Sustainability Director supports the Group Chief Executive in progressing WHSmith's net zero transition strategy, including developing climate scenarios, identifying climate risks and opportunities, developing transition plans and embedding them into business activities, and ensuring progress is appropriately monitored. She is responsible for updating the Board and the ESG Committee on climate-related matters, including a review of progress against the Group's targets, at least three times a year.
- The Managing Directors of each business division identify, monitor, manage and mitigate climate risks and opportunities associated with their activities, principally through the established risk management framework which ensures integration between different business functions. They are also responsible for ensuring the delivery of plans to reduce emissions and capitalise on carbon-related opportunities within their businesses.
- The Group CFO is responsible for monitoring the effective application of the Group's processes for managing climate risks. He is also responsible for providing assurance over financial information and climate-related disclosures.

There are a number of governance bodies and reporting processes to ensure management is informed about climate-related issues. The ESG Steering Group has responsibility for leading the delivery of carbon commitments, meeting once every other month to review progress against targets. Minutes of these meetings provide the basis for a report to each meeting of the ESG Committee. The Business Risk Committees are responsible for identifying and assessing climate risks and opportunities and ensuring appropriate due diligence and mitigation. They meet once per quarter and provide input to the Group risk report to the Audit Committee four times per year.

Identifying and assessing risks and opportunities

Our framework for identifying and assessing climate-related risks is integrated into Group-wide processes for risk identification and prioritisation (see pages 65 to 70). We use the following processes to identify and assess transition and physical risks and opportunities:

- monitoring of changes in the external policy environment, including existing and emerging legislation;
- observing market developments, such as technological advances that may reduce our operating costs, or changes in consumer behaviour that may impact sales of particular products or customer footfall in certain locations; and
- evaluating changes in our cost base related to properties, logistics or supply of goods that may be linked to climate-related impacts.

We maintain a register of climate risks and opportunities, across short, medium and long-term time horizons. These time horizons are defined as follows:

- Short-term – up to three years: we develop financial plans and use them to manage expectations and performance on a three-year cycle. We assess the Group's viability under the requirements of the UK Corporate Governance Code over a three-year period and our financial plans incorporate any decarbonisation measures required to meet our near-term targets and address short-term risks.
- Medium-term – three to ten years: many of our financial commitments, such as contractual agreements with landlord partners, and the useful economic life of our assets often exceed three years. Medium-term climate risks are considered in all investment decisions involving longer-term commitments and many of our climate-related opportunities are often materialised within this time.
- Long-term – beyond ten years: it is expected that the product mix in our stores could look very different to the current offering, addressing the societal changes that will come with transitioning to a net zero world. This timescale is beyond our financial planning and investment period horizons, but we recognise that longer-term risks may need to be incorporated into our future business strategy and planning.

Climate-related risks and opportunities are assessed in relation to the severity of potential business impact (on a scale from one to six) and the likelihood of the business being impacted (low, medium or high). This scoring is in line with all other risks included in the Company's risk register. Determination of the severity of impact includes both financial and reputational components, and other factors such as our ability to respond to a particular risk. In assessing the likelihood, we consider factors such as whether similar risks have materialised in the past and our ability to mitigate the risk. This allows us to identify the more significant potential risks for further financial assessment and incorporation into the risk registers and summary risk maps prepared by all business functions.

Sustainability review continued

We consider environment and social sustainability, which includes climate-related issues, to be a principal risk based on the potential financial impact on our business and stakeholder expectations that we will conduct our business in a responsible and sustainable way. Failing to deliver our sustainability agenda could damage our reputation, introduce higher costs and impact our ability to meet our strategic objectives.

Scenario analysis

This year, in order to update and re-evaluate our assessment of climate risk and opportunities, we commissioned a third-party consultancy to help us understand how our business could be affected under three different climate scenarios, over short, medium and long-term horizons. The work was a refresh of analysis that was first undertaken in 2022, and incorporated changes that have taken place since then, including the sale of our High Street and Funky Pigeon businesses. Data from leading climate science and policy bodies such as the Network for Greening the Financial System ("NGFS"), the International Energy Agency ("IEA") and the Intergovernmental Panel on Climate Change ("IPCC") were used to support our analysis and the development of the scenario narratives.

Current policies scenario

This scenario assumes only currently implemented government policies are preserved. There is no reduction in emissions and climate change accelerates to 2.5°C of warming by 2050 and more than 4°C by 2100, bringing irreversible change. This scenario provides an indication of potential outcomes under business as usual. It is linked to the IPPC Representative Concentration Pathway ("RCP") 8.5 scenario, involving little to no transition risks in the early stages (as no additional action is being taken), but results in irreversible and disruptive physical risks.

Delayed transition scenario

This scenario follows a path in which social, economic and technological trends do not shift markedly from historical patterns, but the world attempts increased action to limit emission growth around 2030 and beyond. There is a failure to cut emissions in the short term, and the Paris agreement goals are not met, resulting in more than 2°C of warming by 2050. This scenario is linked to the IPCC RCP4.5 scenario, involving several physical and transition risks after 2030.

Net zero 2050 scenario

This is an ambitious scenario that limits global warming to 1.5°C by 2100 through stringent policy intervention and innovation, reaching net zero emissions around 2050. It offers an indication of potential outcomes where global warming is limited to current internationally agreed levels. It is broadly in line with the IPCC RCP2.6 scenario, involves more transition risks in the early stages and physical risks are less extreme than under the other scenarios.

Climate risks and opportunities and their impact on our business

The analysis has helped to estimate indicative financial impacts from different climate risks under the three scenarios. The table on pages 55 and 56 sets out the most significant climate risks and opportunities for WHSmith, the potential impacts they may have on our business and our resilience to respond. We have assessed transition risks associated with societal changes in policies, technologies, markets and stakeholder expectations; and physical risks arising from acute climate-related weather events, or longer-term chronic changes to the climate. Opportunities from mitigation and adaptation to climate change are also included.

The impacts detailed in the table on pages 55 and 56 are stated prior to mitigation or controls being in place and are subject to uncertainties attributed to the underlying scenario models, impact pathways and assumptions made. They assume that our core business activities remain largely unchanged throughout the defined time horizons, and any increases in costs are fully absorbed by WHSmith.

The financial impacts quoted are not forecasts but are based on the outputs from modelling derived from different data inputs and plausible modelled scenarios. These are indicative estimates and are subject to a wide range of uncertainties.

The financial implications of the risks and opportunities identified are considered within the Group's financial planning processes. The modelling undertaken to date has determined that the financial impacts are not expected to be significant within our short-term forecast period.

Over the medium and longer term, the results of the scenario analysis have been considered in the assessment of viability and goodwill impairment, where appropriate, but are not considered to be material. We will continue to keep this assessment under review.

The results of our scenario analysis do not currently identify any significant impact on our business model over the time horizons assessed, and, therefore, no further changes in strategy are required, beyond our current activities to decarbonise our business in line with limiting global temperature rises to 1.5°C.

Sustainability review continued

Summary of climate-related risk and opportunities

Climate risk/opportunity and business impact	Potential financial impact[1] Short term	Medium term	Long term	Business resilience and strategic response
Rising climate policy-driven costs (policy, legal and market risk) Increasingly stringent climate policies, including rising carbon taxes and new pricing schemes, could raise operational energy costs and the cost of purchased goods and logistics by adding levies onto the cost of energy and fuel. Modelling assumes growth in line with NGFS figures and that the full costs of price increases are passed on to WHSmith by its suppliers. Key financial impact: increased operational expenditure resulting from rising prices for electricity, logistics and the cost of goods. Geographies affected: global retail, purchasing and distribution operations.	**Current policies** £ **Delayed transition** ££ **Net zero 2050** ££	 ££ £££ £££	 ££ £££ £££	We closely monitor any changes in legislation, taxation policies and market dynamics. Our procurement team seek to minimise the price we pay for electricity and we have a balanced energy purchasing strategy to mitigate price volatility. We continue to reduce energy consumption and switch to low carbon alternatives wherever feasible. Future cost projections for energy and fuel are included in our financial plans and any rises in the cost of trade goods would be partly passed on down the value chain. Metrics used: electricity, gas and fuel consumption (page 59); cost of goods and energy and fuel pricing (not disclosed).
Travel demand shift (policy, legal and market risk) A shift in air travel patterns driven by carbon levies and the growth of lower emission alternatives (e.g. rail) could reduce air passenger volumes, leading to lower sales and profitability in airport stores. Key financial impact: reduced income from lower air passenger numbers. Geographies affected: global retail operations.	At present, there is insufficient data for predicted passenger numbers under the different climate scenarios to be able to model potential financial impacts with any certainty.			Our business is spread across the world with stores in many countries, which mitigates the risk associated with any national or regional policy responses to curb emissions from air travel. We will continue to engage with policy makers and others in the aviation and rail sectors to ensure any future potential impacts from climate policy are fully understood. Metrics used: passenger number forecasts (page 12).
Commodity supply disruptions (acute and chronic physical risk) Climate change is likely to result in acute and chronic changes in precipitation patterns with some regions experiencing droughts and others greater rainfall. These changes could affect the supply and availability of raw materials for some product categories such as food and drink, with a resulting increase in the cost of supply. Figures quoted are for impacts on food lines only. Key financial impact: higher cost of goods sold as raw material prices rise. Geographies affected: global purchasing operations.	**Current policies** £ **Delayed transition** £ **Net zero 2050** £	 £ £ £	 £ £ £	We sell a broad range of products, which means that even if certain categories are impacted by supply chain challenges, revenues can be maintained through sales of other product categories. We will continue to evaluate our product offering in the context of medium and long-term climate change and the impacts that this could have on different raw materials in our supply chain, and, if necessary, adapt our ranges as appropriate. Some of the increase in costs of raw materials will be passed down the supply chain, mitigating the business impact. Metrics used: cost of sales (page 164; Scope 3 emissions (page 61).

1 Potential financial impact determined by impact on annual margin prior to any mitigation activity. Ranges have been chosen to align with our other accounting processes. There have been no identified impacts on investment in research and development, acquisitions or divestments or access to capital

£ <£10m ££ £10–30m £££ >£30m

Sustainability review continued

Climate risk/opportunity and business impact	Potential financial impact[1] Short term	Medium term	Long term	Business resilience and strategic response
Airport disruptions and rising insurance premiums (acute physical risk) More frequent and severe extreme weather events, such as flooding, could disrupt airport and rail operations, leading to temporary store closures, reduced trading hours, and lost sales. Rising insurance premiums associated with these risks would further add to operating costs. Key financial impacts: decline in income from stores in disrupted locations and operational costs from higher insurance premiums. Geographies affected: global retail operations.	**Current policies** £ **Delayed transition** £ **Net zero 2050** £	£ £ £	£ £ £	Our stock is held across many sites, including distribution centres, supplier sites and in our stores. The impact of a flood event would therefore be limited. We have a diverse product range with limited ranges of fast-moving goods, and therefore the majority of our logistics operations are resilient to any short-term impacts from major weather events. Metrics used: insurance costs (not disclosed).
Low-carbon product growth (products and services opportunity) Growing customer preference for lower-carbon products presents an opportunity to increase sales in more sustainable product lines. Key financial impact: increased revenues from expanding sustainable ranges. Geographies affected: global retail operations.	**Current policies** £ **Delayed transition** £ **Net zero 2050** £	£ £ £	£ ££ ££	Our commercial teams are constantly assessing consumer trends and the potential for new products and can quickly adapt to any developments in the marketplace to capitalise on new opportunities. For example, in response to a warmer climate, we are ensuring our ranges of travel products are meeting the needs of travellers. Metrics used: sales revenues from products designed for a lower-carbon economy (not disclosed).

1 Potential financial impact determined by impact on annual margin prior to any mitigation activity. Ranges have been chosen to align with our other accounting processes. There have been no identified impacts on investment in research and development, acquisitions or divestments or access to capital

£ <£10m ££ £10–30m £££ >£30m

Managing climate risks and opportunities

Climate risks are managed in line with our overall risk appetite to ensure appropriate responses are in place for those risks. These responses may include accepting a risk without any further action, mitigating or reducing the risk with appropriate controls, transferring the risk, for example to insurance providers, or stopping or modifying the activity that gives rise to the risk. The decision as to which response is appropriate depends on a number of factors, including the nature of the risk in terms of impact and likelihood, the level of resource that would be required for different responses, the time frame over which a risk is likely to materialise and the extent to which the risk level could be reduced by a response. An integrated approach ensures we manage climate risks within our overall risk appetite over different time horizons.

In addition to the strategic responses in the table, other processes for managing climate risks and opportunities are undertaken at Group, business function and individual property level, and include:

- A Group-wide policy framework, which includes our **Environment Policy**, **Code of Business Conduct** and **Responsible Sourcing Requirements for Suppliers**;
- Monitoring of key metrics including energy and fuel consumption and pricing, cost of sales, consumer trend data and sales information;
- Operational procedures covering, for example, processes relating to energy and fuel management;
- Emergency response plans, for example, for flood management or for disruption to supply networks;
- Internal audit and investigation; and
- Annual attestation processes by senior managers of business functions, joint ventures and franchise partners.

Sustainability review continued

Senior management and the Board undertake regular reviews of risk and opportunities relating to climate change to ensure that any emerging issues that might impact our strategy are appropriately identified and evaluated. Significant climate-related issues form part of risk reports to the Audit Committee. The ESG Committee evaluates the annual update of the climate risk and opportunity register and ensures appropriate responses are in place. This includes any significant update to our understanding and assessment of climate-related risks and opportunities, such as where there have been major changes to the Company and/or changes in scenario data and assumptions. At an operational level, each business division reviews its risk profile and risk responses throughout the year to ensure climate risks and opportunities are managed effectively.

Our climate risk management processes follow the overall approach for Group-wide risk management. Climate risks are integrated into budgetary decisions regarding spend on equipment or logistics. Climate risks and opportunities are considered from a strategic and operational perspective to ensure we maintain a comprehensive view of potential climate-related impacts over different time horizons. Senior management and the Board regularly review climate risks and opportunities in line with other risks, to ensure a holistic view and that risk mitigation responses are appropriate to risk materiality and are properly integrated into relevant business activities.

Climate strategy

The Group's strategy incorporates the delivery of our sustainability plans as a key enabler, including minimising our impact on the environment and decarbonising our activities (page 14). We recognise that transitioning to a net zero business is the best way of mitigating climate risk and capitalising on any climate-related opportunities. Our target is to become a net zero emissions business by 2050. Our intention is to reduce Scope 1, 2 and 3 emissions by at least 90 per cent by 2050 (from a 2020 baseline) before neutralising any residual emissions.

As a first step to this long-term goal, we have set near-term targets to help track our performance against our long-term climate target. The following targets were developed using the Science Based Target initiative's ("SBTi's") Criteria and Recommendations for Near-Term Targets, Version 5.0 and have been validated by SBTi.

- We will reduce absolute Scope 1 and 2 GHG emissions by 80 per cent by 2030 from a 2020 base year; and
- 75 per cent of our suppliers (by emissions) covering purchased goods and services and upstream transport and distribution services will have science-based targets in place by 2027.

Our carbon transition strategy focuses on a number of key actions:

- continuing to reduce our electricity and gas consumption through increased energy efficiency and investment in more efficient heating, lighting and cooling. Key projects include centralised remote management of air conditioning and ventilation; replacement refrigerators, rollout of half hourly automatic meter reading and upgrading LED lighting.
- continuing to invest in renewable electricity for direct and indirect power purchases.
- reducing our dependence on fossil fuels for transport and logistics.
- enhancing supplier engagement across all Business Divisions to ensure our supply chain is adequately disclosing carbon emissions and setting targets to reduce them.
- working with landlord and franchise partners to look at opportunities to collaborate to reduce emissions.
- reducing carbon emissions from packaging.
- working with others in the retail sector to encourage other stakeholders such as governments and policy makers to make more rapid and larger scale interventions towards net zero. We were a founding member of the British Retail Consortium's Climate Action Roadmap, which was established to bring together retailers, suppliers, policy makers and other stakeholders, and to support customers to deliver the UK retail industry's ambition for net zero.

Metrics and performance against targets

We use a number of different metrics to measure our climate-related impacts, evaluate progress against our targets and monitor risks and opportunities. They have been developed with consideration of the cross-industry metrics described in the TCFD implementation guidance table A2.1, where we consider these to be material to our business. Key metrics used to measure and manage climate risk and opportunities are listed below and included in the table on pages 55 and 56.

Sustainability review continued

Metrics for managing climate risk (continuing business)

Metric	Link to risk	Units	2025	2024	2023
Electricity and gas consumption	Increased costs for energy and fuel	MWh	**44,661***	43,560	44,352
Fuel consumption	Increased costs for energy and fuel	millions of litres	**1.3***	1.2	1.1
Electricity from renewable sources	Increased costs for energy and fuel and increased costs for meeting net zero targets	MWh	**41,128***	39,820	21,962
Absolute Scope 1 emissions	Increased costs for meeting net zero targets	tonnes CO_2e	**86***	34	43
Absolute Scope 2 emissions	Increased costs for meeting net zero target	tonnes CO_2e	**1,468***	1,809	9,336
Absolute Scope 3 emissions	Increased costs of raw materials	tonnes CO_2e	**383,502**	375,807	326,117

Other climate-related metrics

Metric	Link to risk	Units	2025	2024	2023
GHG Scope 1 and 2 emissions intensity	Industry benchmark	tonnes CO_2e/£m revenue	**1.0***	1.3	7.1
GHG Scope 1 and 2 emissions intensity	Industry benchmark	tonnes CO_2e/million square foot	**1,063***	1,297	7,117

We engaged SLR Consulting to provide independent limited assurance covering components of the data marked with an asterisk (*) in accordance with assurance standard ISAE 3000. Full details of the methodology and SLR Consulting's assurance statement are available at **whsmithplc.co.uk/sustainability**

Executive remuneration: Climate-related performance indicators have formed part of executive incentive plans (see Directors' remuneration report on pages 96 to 119).

Carbon pricing: The main carbon taxes affecting our business are the UK Climate Change Levy, which is included in the cost of electricity and gas used to power our buildings and the UK Fuel Duty, which is included in the cost of diesel and petrol used for the distribution of our goods. These carbon taxes are part of energy and fuel costs, which we monitor on an ongoing basis. We have also included carbon pricing in our scenario analysis, using projections from models by the IEA and the NGFS.

External benchmarks: We monitor performance on climate change in external benchmarks, including the CDP Climate Change disclosure initiative.

Energy and fuel consumption

We use energy to light, heat and cool our premises. We have been working for many years to reduce the amount of energy we use, recognising opportunities to reduce our overall GHG emissions and operating costs for the business.

Energy consumption in 2025 for our continuing business was 44,661* MWh (2024:43,560) a slight rise of two per cent. We are continuing with a range of energy reduction measures to minimise the amount of energy that we use.

These include:

- further development of our building management system to monitor energy consumption across stores and adjustment of energy settings for lighting, heating and air conditioning to minimise energy;
- replacement of LED lights coming to the end of their life, with new, more energy-efficient ones; and
- the use of fridges with doors that prevent cold air losses, increasing energy efficiency.

Our fuel consumption for transport in 2025 was 1.3 million* litres (2024: 1.2 million), with the slight increase due to activity to separate the networks for each business, including relocating stock to the correct distribution centre and picking location, as well as rationalising our distribution centres and transport hubs.

Sustainability review continued

Energy consumption (continuing business)

Metric	2025	2024	2023
Energy use (buildings) MWh			
UK	**21,039***	21,131	22,194
Non-UK	**23,622***	22,429	22,158
Total	**44,661***	43,560	44,352
Energy use (buildings) MWh			
Gas	**469***	187	232
Grid electric (renewable)	**41,128***	39,820	21,962
Grid electric (non-renewable)	**3,064***	3,553	22,158
Total	**44,661***	43,560	44,352
Fuel use for transport (million litres)	**1.3***	1.2	1.1

Energy consumption (discontinued business)

Metric	2025	2024	2023
Energy use (buildings) MWh			
Gas	**6,552***	7,307	9,416
Grid electric (renewable)	**21,274***	26,678	30,139
Grid electric (non-renewable)	**0***	0	0
Total (all UK)	**27,826***	33,984	39,556
Fuel use for transport (million litres)	**0.5***	0.5	0.6

Energy use is calculated from metered billing data for electricity and gas supplied directly to WHSmith under half-hourly billing data. Non-half-hourly data is extrapolated using floor areas and numbers of stores. We engaged SLR Consulting to provide independent limited assurance covering components of the data marked with an asterisk (*) in accordance with assurance standards ISAE 3000 and 3410. Further data and full details of the scope and methodology for reporting energy, fuel use and carbon emissions and SLR Consulting's full assurance statement is available at **whsmithplc.co.uk/sustainability**

Sustainability review continued

Scope 1, Scope 2 and Scope 3 GHG emissions, and related risks

Global Scope 1 and 2 emissions (tonnes CO_2e) (continuing business)

Metric	2025	2024	2023
Scope 1 emissions from purchased natural gas	**86***	34	43
Percentage of emissions from UK-based operations	**100%**	100%	100%
Scope 2 emissions (market based) from purchased electricity	**1,468***	1,809	9,336
Percentage of emissions from UK-based operations	**0%***	0%	0%
Total Scope 1 and 2 emissions (market based)	**1,554***	1,843	9,379
Percentage of emissions from UK-based operations	**5.5%***	1.9%	0.5%
Market based carbon intensity metric (tonnes CO_2e per £m revenue)	**1.0***	1.3	7.1
Market based carbon intensity metric (tonnes CO_2e per million square foot floorspace)	**1,063***	1,297	7,117
Scope 2 emissions (location based) from purchased electricity	**11,666***	12,425	13,120

Scope 1 and 2 emissions (tonnes CO_2e) (discontinued business)

Metric	2025	2024	2023
Scope 1 emissions from purchased natural gas	**1,199***	1,336	1,723
Percentage of emissions from UK-based operations	**100%***	100%	100%
Scope 2 emissions (market based) from purchased electricity	**0***	0	0
Percentage of emissions from UK-based operations	**0%**	0%	0%
Total Scope 1 and 2 emissions (market based)	**1,199***	1,336	1,723
Percentage of emissions from UK-based operations	**100%***	100%	100%
Market based carbon intensity metric (tonnes CO_2e per £m revenue)	**3.3***	3.0	3.7
Market based carbon intensity metric (tonnes CO_2e per million square foot floorspace)	**415***	463	532
Scope 2 emissions (location based) from purchased electricity	**3,765***	5,524	6,241

Emissions have been calculated using the methodology defined in the GHG Protocol Corporate Standard. We use the market based method for Scope 2 for our total emissions to account for purchasing of low-carbon electricity. Our reporting boundary includes our operations in the UK and our directly run international businesses where we have operational control, consistent with those included in our consolidated financial statements. Our reported Scope 1 and 2 emissions include all UK and international properties, both owned and leased, over which we have operational control. We engaged SLR Consulting to provide independent limited assurance covering components of the data marked with an asterisk (*) in accordance with assurance standards ISAE 3000 and 3410. Further data and full details of the scope and methodology for reporting energy, fuel use and carbon emissions and SLR Consulting's full assurance statement is available at **whsmithplc.co.uk/sustainability**

Sustainability review continued

Our total Scope 1 and 2 market based emissions decreased this year to 1,554* tonnes CO_2e (2024: 1,843), as a result of switching more of the electricity used to run our stores in Europe and North America to renewable sources.

Emissions reductions were also made through investments in more efficient lighting, control systems and refrigeration.

One hundred per cent of the electricity for buildings in the UK, Europe and the USA is renewably sourced. Where we procure direct from energy suppliers, electricity is purchased through green tariffs. Some of the electricity provided by our landlord partners is from renewable sources, and we purchase renewable electricity certificates for any non-renewable electricity provided by landlord partners. All certificates are retired on our behalf to avoid double-counting.

Emissions from our UK operations were 86* tonnes CO_2e (2024: 34). These residual emissions arise from the combustion of natural gas and, to date, we have been unable to remove them completely as alternative technologies appropriate for our buildings do not yet exist. As the technology and nature of our operations evolve, we expect to be able to reduce emissions from these activities.

Global Scope 3 emissions (tonnes CO_2e) (continuing business)

Scope 3 category	2025	2024	2023
1. Purchased goods and services and capital goods and services	**326,000**	282,300	248,000
2. Capital goods and services	Included in our purchased goods and services category.		
3. Fuel and energy-related activities	**2,100***	3,100	4,200
4. Upstream transport and distribution	**11,700**	11,800	10,200
5. Waste generated in operations	**2**	7	17
6. Business travel	**1,400***	1,500	1,300
7. Employee commuting	**11,100**	11,000	10,700
8. Upstream leased assets	Included in Scope 1 and 2 as in our operational control.		
9. Downstream transport and distribution	Not relevant for our business.		
10. Processing of sold products	Not relevant for our business.		
11. Use of sold products	**13,500**	49,000	36,800
12. End-of-life treatment of sold product	**14,000**	11,700	9,500
13. Downstream leased assets	Not relevant for our business.		
14. Franchises	**3,700**	5,400	5,400
15. Investments	Not relevant for our business.		
Total Scope 3 emissions	**383,502**	375,807	326,117

Global Scope 3 emissions (tonnes CO_2e) (discontinued business)

Total Scope 3 emissions	**145,016**	137,223	142,303

Scope 3 emissions have been calculated in accordance with the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard. Our reporting boundary includes our operations in the UK and our directly run international businesses where we have operational control, consistent with those included in our consolidated financial statements. We engaged SLR Consulting to provide independent limited assurance covering components of the data marked with an asterisk (*) in accordance with assurance standards ISAE 3000 and 3410. Further data and full details of the scope and methodology for reporting emissions and SLR Consulting's full assurance statement are available at **whsmithplc.co.uk/sustainability**

Sustainability review continued

The majority of our Scope 3 emissions are from Category 1 (purchased goods and services) which increased this year as our cost of purchased goods increased. As a first step towards our target for 75 per cent of suppliers to have science-based targets in place, we have started to engage with our largest suppliers. Those with science-based targets in place now represent 53* per cent of Category 1, 2 and 4 emissions.

We are working with our transport and logistics operators to reduce Category 4 emissions and have minimised fuel consumption through better route planning and optimisation of delivery schedules, driver training and vehicle telematics.

Category 11 emissions (use of sold products) have decreased this year due to an improvement in the methodology, which has enabled us to more accurately calculate use phase emissions for sales of our electronic and electrical travel accessories.

Progress against targets

Target	2020 baseline	2025	Progress
Reduce Scope 1 and 2 GHG emissions by 80% by 2030	14,305 tonnes CO_2e	**1,554*** tonnes CO_2e **89%*** reduction	●
75% of supply chain emissions to be covered by science-based targets by 2027	Unknown	**53%*** of emissions are covered by science-based targets	●
All forestry materials will be from recycled or certified sources in WHSmith-branded products	99%	**100%***	●

● Met or on track to meet target

Sustainability review continued

Non-financial and sustainability information statement

In accordance with the requirements of section 414CA and 414CB of the Companies Act 2006, the table below sets out where stakeholders can find information relating to non-financial and sustainability matters in our Annual Report and Accounts. In addition, the **Sustainability Addendum** 2025 and the **Policies and Position Statements** section of our website contain a wide range of information on environmental and social matters. Due diligence arrangements for each topic, including training, monitoring and auditing of policy compliance are included in the respective policy documentation on our website.

Disclosure requirements	Policies, guidance and standards which govern our approach	Where to find more information	Pages
Environmental matters	Environmental Policy – sets out our approach to protecting the environment. Biodiversity Policy and Animal Welfare Policy – sets out our approach to sourcing our products responsibly. Responsible Sourcing Requirements – sets out the minimum standards we expect from our suppliers.	Section 172(1) statement Sustainability review Principal risks and uncertainties Corporate governance report	40 46 70 80 and 92 to 93
Colleagues	Code of Business Conduct – sets out the standards expected of all colleagues and includes procedures for whistleblowing, managing conflicts of interest, complying with competition law and receipt of gifts. Health and Safety Policy – describes how we manage safety and our commitment to protecting colleagues and customers. Bullying and Harassment Policy – sets out measures to prevent bullying and harassment. Diversity, Equity and Inclusion policy – sets out our commitment to encouraging diversity, equity and inclusion. Data Privacy, Data Retention and Privacy Policies – protecting colleagues' privacy and data in accordance with national and international regulations.	Section 172(1) statement Sustainability review Corporate governance report Directors' remuneration report	36 47 and 48 80 and 81, 92 and 93 96 to 119
Social matters	Code of Business Conduct – sets out our business standards for responsible retailing, meeting sanctions and trade controls, quality control and product safety. It also sets out our business principles for engaging with stakeholders, including customers, suppliers and business partners and local communities.	Section 172(1) statement Sustainability review Principal risks and uncertainties	34 to 41 44 66 to 70
Respect for human rights	Human Rights Policy – sets out how we respect and support the dignity, wellbeing and human rights of everyone associated with our Company. Responsible Sourcing Requirements – sets out the minimum standards we expect from our suppliers in relation to protecting the human rights of workers in our supply chain.	Section 172(1) statement Sustainability review Principal risks and uncertainties	34 to 41 49 and 50 68

Sustainability review continued

Disclosure requirements	Policies, guidance and standards which govern our approach	Where to find more information	Pages
Anti-corruption, anti-bribery and prevention of facilitation of tax evasion matters	Code of Business Conduct – includes our expectations for business and colleague responsibilities for these matters.	Sustainability review	44
		Principal risks and uncertainties	67
		Corporate governance report	83
How we manage risk	Schedule of matters reserved for the Board	Corporate governance report	88 and 89
	Audit Committee terms of reference	Principal risks and uncertainties	65
Business model	Schedule of matters reserved for the Board	Business model	8 and 9
Non-financial key performance measures		Key performance indicators – non-financial	17
		Sustainability review	42 to 64
Climate-related financial disclosures		Sustainability review	52 to 62
		Principal risks and uncertainties	70
		Corporate governance report	80, 92 and 93
		Notes to the financial statements	144