THG

THG Basis of Reporting 2024 – GHG Emissions and Energy

This Basis of Reporting document outlines the definition, scope, methodology and assumptions used to calculate and the KPIs and metrics covering GHG emissions and energy related data by THG for the 2024 Annual Report & Accounts.

Introduction

THG plc is an e-commerce consumer brand company founded in 2004 and headquartered at Manchester, England. The Company operates through two global consumer divisions, THG Beauty and THG Nutrition, each comprising a portfolio of brands. The Group's technology platform and operations infrastructure division, THG Ingenuity, powers the group and third-party enterprise clients.

This document outlines the definition, scope, methodology and assumptions used in THG's Energy and Emissions Reporting included in the company's Annual Report and Accounts. The Group has a regulatory obligation to report on Greenhouse Gas ('GHG') emissions as per the requirements under UK Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013; and the UK Streamlined Energy & Carbon Reporting (SECR) regulations.

All emissions data is reported for the period 1st of January to 31st of December 2024. We report our GHG emissions in accordance with the GHG Protocol, which sets a global standard for how to measure, manage and report GHG emissions.

Scope

GHG emissions

GHG emissions are broken down into Scope 1, 2 & 3.

- Scope 1 emissions are our direct emissions from the combustion of fuel/energy sources onsite from our buildings, vehicles, and machines.
- Scope 2 emissions cover our indirect emissions from the purchase of electricity.
- Scope 3 cover indirect emissions from our supply chain. This includes all our purchased goods and services, distribution, and travel for business.

The Group chooses to use an intensity ratio of GHG emissions per £1m turnover. Using turnover offers a simple way to measure and monitor Group performance on emissions and is also a useful way to benchmark and compare with other organisations. Using turnover is also the most appropriate given the vast range of activities and sectors THG operate in.

Energy

Total energy use includes direct and indirect energy reported in kWh.
We report on the:

1. Total renewable energy as: Total renewable energy (kWh)/Total energy use (kWh) expressed as a percentage (%).
2. Total renewable electricity use as: Total renewable electricity (kWh)/Total electricity use (kWh) expressed as a percentage (%).

Supplier emissions factors are used for sites with REGOs (Renewable Energy Guarantees of Origin) or RECs (Renewable Energy Certificates), and the energy consumed from sites

with REGOs are reported as 'Renewable' and is part of the calculation of 'Total renewable energy' and 'Total renewable electricity'. On site solar energy consumption is also reported as 'Renewable' and forms part of the calculation for 'Total renewable energy' and 'Total renewable electricity'.

Existing Environmental KPI's

- Scope 1 emissions (Tonnes of CO2e)
- Scope 2 location-based emissions (Tonnes of CO2e)
- Scope 2 market-based emissions (Tonnes of CO2e)
- Total energy use (kWh)
- Total energy use in the UK versus the 'Rest of World' (kWh)
- Renewable electricity across operations (%)
- Year on Year difference in Energy Use (kWh)
- Year on Year difference in Scope 1 emissions (Tonnes of mCO2e)
- Year on Year difference in Scope 2 location-based emissions (Tonnes of mCO2e)
- Year on Year different in Scope 2 market-based emissions (Tonnes of mCO2e)
- Year on Year different in Renewable Electricity across operations (%)
- Total Scope 1 & 2 Emissions of market-based emissions in the UK versus the 'Rest of World' (Tonnes of CO2e)
- Scope 3 2024 Emissions (Tonnes of CO2e)

Reporting period

The 2024 reporting period covers 01 January 2024 to 31 December 2024 which aligns with the Group's Annual Report and Accounts.

Reporting boundary

Scope 1 and 2

THG reports emissions data using an operational control approach to define our organisational boundary, which meets the definitional requirements of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 in respect of those emissions for which we are responsible. Where an activity falls under our operational control, we report 100% of the associated emissions.

Operational control has been assumed where THG can influence, manage, and track energy use and/or emissions from an operation, details below:

i. Where we have a contract directly with the energy supplier – the site is considered under our control.
ii. Where energy is paid by the landlord and re-charged to us based on the actual amount we have consumed (i.e., metered amount) – the site is considered under our control.

Out of operational control has been assumed where THG **cannot** influence, manage, and track energy use and/or emissions from an operation, details below:

i. Where we pay a fixed fee for energy as part of our rental payments (i.e., regardless of the amount consumed) - the site is considered NOT under our control and emissions associated with this energy usage would be captured in our Scope 3 numbers.

The property list is updated annually as a minimum with the assistance of the Property team, taking into consideration acquisitions and disposals throughout the reporting period.

Scope 3

The 15 scope 3 categories were assessed for relevance to THG. The emissions categories covered in our submission to the SBTi, which is the baseline for this and future reporting, were categories 1-9,11-12, and 14.

The Scope 3 emissions categories 10, 13 and 15 have been deemed not applicable for THG during 2024. These emissions sources are deemed not applicable to THG based on the current business structure and model. The following justifications are given for each excluded emissions category:

- Scope 3 Category 10 – Processing of Sold Good. No goods sold by THG require additional downstream processing, only finished goods are sold. Therefore, this category was deemed not applicable.
- Scope 3 Category 13 – Downstream leased assets. THG does not lease any assets to third parties, therefore this category was deemed to be not applicable.
- Scope 3 Category 15 – Investments. THG does not make any investments, therefore, this category was not applicable.

Additionally to the excluded categories, the emissions associated to the upstream manufacturing of goods processed via THG ingenuity have been excluded. THG ingenuity operates an end-to-end service for B2C sales for third-parties. This includes operating distribution, storage, and web hosting services. Many of these goods are not purchased directly by THG but are delivered into THG owned or operated warehouses and shipped on to end customers. Any good that is not purchased directly by THG PLC, and therefore does not appear on the balance sheet, is not included in the calculation of GHG emissions. The emissions associated to distribution and storage of the goods, however, are included within the GHG inventory.

A review of acquisitions or divestments takes place to ensure all relevant entities are captured with the reporting and this aligns to the published entity list within financial reporting.

Calculation methodology

Data collection process and system - Scope 1 & 2

Energy consumption data is gathered on a weekly, monthly, or quarterly basis depending on the data type and source. Data is then uploaded onto an ESG reporting platform for conversion to kWh where necessary and calculation into appropriate Scope 1 and 2 emissions.

Energy and associated emissions from the use of fuels and electricity are collected and calculated via several methods:

a) Automatic Meter readings: Electricity and gas consumption is automatically captured and evidenced using opening and closing meter readings which is displayed in invoices or on supplier portals

b) Utility or fuel card invoices: The majority of UK sites data for the reporting period is evidenced by utility bills via our Energy Broker consumption reports. For some smaller sites and international sites, these bills are collected by local teams. Vehicle consumption data is evidenced by fuel card invoices/reports.

c) Non - Automatic Meter readings: Electricity and gas consumption is manually captured and evidenced using opening and closing meter readings which is displayed in invoices or meter displays

d) Estimations: See sub-section "Estimates, assumptions and exclusions"

Data collection process and system - Scope 3

Scope 3 emissions are in the most part calculated manually. This is due to the complexity of the activity data, the requirements for data processing, and the diversity of emissions factors. We have an internal data collection matrix which notes the specific stakeholder and report name which makes up our data set. These data sets are then provided to our appointed consultants who calculate our Scope 3 emissions. The Scope 3 output is then verified by a different third-party.

Data sources and collection methods

Scope 1 & 2

Scope	Emissions source	Data source	Method	Related KPI and units
1	Fuel combustion - Natural Gas, Gas Oil	Invoices/Meter readings	Collected by: 1) Third party (energy broker) on a monthly basis, 2) Invoices from local THG teams or landlords on a monthly, quarterly or biannual basis and 3) Meter reads by local THG site teams on a monthly basis	Total energy consumption (kWh) and Scope 1 emissions (CO2e).
	Vehicle fleet – Diesel, Petrol, Gas Oil and LPG	Invoices/Fuel card bills	Collected by 1) Fuel card bills (monthly) and 2) invoices from local THG teams (monthly) 3) images of the dashboard showing kilometres / miles travelled in a period.	Total energy consumption (kWh) and Scope 1 emissions (CO2e).
2	Electricity	Invoices/Meter readings	Collected by: 1) Third party (energy broker) on a monthly basis, 2) Invoices from local THG teams or landlords on a monthly, quarterly or biannual basis and 3) Meter reads by local THG site teams on a monthly basis	Total energy consumption (kWh) and Scope 2 emissions (CO2e) –market and location based

Scope 3

#	Category Name	Data source	Method
1	Purchased Goods and Services	A mix of spend and weight data used, for products sold.	Where available, supplier-specific emissions information was used. Where supplier-specific emissions were not available industry average emissions factors were used. These were sourced from DEFRA's Supply chain emission factors for spending on products, the US Bureau of Economic Analysis's Input Output Database, and the EPA's Supply chain emissions factors for US industries and were adjusted for inflation and (for the non-UK datasets) exchange rate at time of publication. Beauty - a mixture of spend and weight-based industry average emissions factors were used, including LCA data for similar products. Nutrition - exclusively weight-based activity data and emissions factors were used, with LCA data for comparable products, where available. Where LCA data is used, this only includes the manufacturing and raw material extraction emissions (cradle to gate) of the product. Ingenuity - if a good from an ingenuity client is purchased by THG (i.e., the purchase and sale of that product appears on the balance sheet and financial records), then the emissions associated to the production of this product are accounted for within our Scope 3, category 1 emissions. If, however, a good is processed in a THG owned facility, but does not appear on the balance sheet as a purchase or sale, then we do not take responsibility for the emissions associated with the production of that good. Spend data is used to calculate the majority of emissions from services.
2	Capital Goods	High-level spend data by category.	DEFRA's supply chain EEIO emissions factors, adjusted for inflation, were used to convert the activity data into emissions. The exception was a factor for 'real estate', which (in the absence of a comparable DEFRA factor) was taken from the US Input Output Database and was used to account for the elements of the 'properties' spend category.
3	Fuel- and Energy-Related Activities	Used the same activity data (but different emission factors) as scopes 1&2 fuel and energy GHG assessment	High-quality data for tonne.km (this unit was used for the emissions associated with transporting one tonne of goods one kilometre) for the transport and distribution methods, and the mode by which goods were transported was available. The tonne.km data was used to calculate WTT T&D emissions. The WTT for internal T&D between THG warehouse was included in the T&D calculations for this distribution. WTT and T&D emissions factors were sourced from DEFRA's Emissions factors for the company reporting 2024 update (October 2024).

4	Upstream Transportation and Distribution	Mass of products, with approximate delivery distance (country level only). The transit method was not available for 2020 and reasonable assumptions have been made.	High-quality data for tonne.km (this unit was used for the emissions associated with transporting one tonne of goods one kilometre) for the transport and distribution methods, and the mode by which goods were transported was available. The tonne.km data was used to calculate WTT T&D emissions. The WTT for internal T&D between THG warehouse was included in the T&D calculations for this distribution. WTT and T&D emissions factors were sourced from DEFRA's Emissions factors for the company reporting 2024 update (October 2024).
5	Waste Generated in Operations	Weight by waste type and disposal method	In the previous reporting period, emissions due to waste generated has been calculated using a spend-based approach, using the spend with associated waste suppliers, taken from the supplier-spend report. In 2024, true activity data was used, collected in our in-house 'Waste Management Dashboard'. This reporting period therefore represents a significant change in activity data, to a more accurate source. The weight of the waste material and disposal method were matched to the DEFRA EFs for waste disposal. Each quantity of waste was converted from kg to tonnes.
6	Business Travel	Activity data (e.g., distance, or spend) by a method of collating travel, plus hotel stays	Emissions from business travel are calculated using the mode of travel, the distance travelled, and the class of travel (if applicable, first, economy etc.). Hotel stays are calculated using the country of the hotel and the total number of nights stayed. Where not reported in the travel report, the distance between two locations was calculated based on the latitude and longitude. This calculated distance was used in the emissions calculation. Emissions factors for the travel, and any associated WTT emissions are sourced from DEFRA's emissions factors corresponding to the reporting period.
7	Employee Commuting	*Commuting*: mode of travel, frequency, distance data collected via staff survey. *Home working*: no. staff days/year is available and adequate for preliminary assessment	Emissions from commuting of employees is calculated from the results of 2024's commuting survey, which was distributed to all full-time THG staff. This included all office, fulfilment, and other staff, but NOT contractors or temporary staff. Emissions factors were assigned based on mode of transport (i.e., car, bus, walk etc.) and fuel type of transport (i.e., diesel, petrol, hybrid etc.). The corresponding WTT emissions factor was also assigned.
8	Upstream Leased Assets	Total data centre energy and refrigerant consumption and THG's proportion of overall use	The Scope 1 and 2 emissions from data centres, proportional to THGs proportion of overall use of that data centre, was calculated from the fuel, electricity, and refrigerant consumption provided by the data centres. The consumption was multiplied by the appropriate emissions factors for fuel consumption, or the local electricity grid emissions factor. For data centres who claim to use renewable electricity, this was supported with appropriate renewable energy certificate which corresponds with the quantity of renewable electricity claimed

			(i.e., if 100% renewables are claimed, certificates covering 100% of consumption should be provided). Where utility data wasn't provided, spend allocated emissions factors were used.
9	Downstream Transportation and Distribution	In-store sales of THG products – units sold; and T&D: mass of products, with approximate delivery distance (postcode based/city or major city based).	In-store sales were aggregated in 4 categories: drink – can, drink – bottle, food, and vitamins. The quantity sold was converted into kilograms. The weight was multiplied by a literature based emissions factor that reflects in-store refrigeration and transportation. For THG's satellites, where the customer arranged transportation, it calculated tonnes.km and multiplied by the relevant DEFRA emission factor depending on 'chilled' or 'ambient' transportation status (all calculated WTW).
10	Processing of Sold Products	Out of Scope	As THG does not produce intermediate products, this category was not applicable.
11	Use of Sold Products	Units sold; energy rating and lifetime usage estimated based on research	The emissions from sold products was estimated from the predicted energy consumption and full lifetime of all sold electrical products. Estimated consumption and lifetime were based on the high-level product category (e.g., Hair products, skincare products, lighting, etc.). The average emissions from electricity consumption are calculated using the UK grid electricity factor, taken from the DEFRA emissions factors (inclusive of WTT and T&D losses).
12	End-of-Life Treatment of Sold Products	Modelled using an approximate mass of goods & packaging sold, with materials (for packaging only) and UK average disposal/ end-of-life route.	End of life treatment emissions applied to sold electrical products, clothing, and packaging. The total quantity (in kg) of each of these items sold was taken from purchase ledgers, or the annual UK Packaging Compliance submission to the Environment Agency. The emission factors for end-of-life treatment were taken from the DEFRA reporting factors. For clothing, an 88% landfill and 12% recycling split was assumed based on literature. For packaging, the recycling rate was based on UK Government research into the recycling rates of various materials. For electrical items, 100% landfill was assumed.
13	Downstream Leased Assets	Out of Scope	This category did not apply to THG in 2024.
14	Franchises	Sales revenue from each franchisee	Where available, the franchisee's 23/24 emission data was used, and apportioned to THG based on the proportion of total revenue that THG licensed products made up. Where not available, a conservative approach was taken by extrapolating the highest emitting franchisee. The emission factor is an intensity value based on franchisee's emissions per unit of revenue from the franchise agreement: **emissions / £** and multiplying the revenue of the other franchisees with this intensity value to estimate their emissions.
15	Investments	Out of Scope	This category did not apply to THG in 2024.

Estimates, assumptions and exclusions

Estimates were used for natural gas and electricity consumption in properties where meter readings or invoice data were not available. In these instances, natural gas and electricity estimations were calculated using:

1) Using the specific sites meter average consumption (based on the actual data during the reporting year or the year preceding) and applying it to the missing month(s). This calculation was used in the first instance. If data was not available, then methodology 2 was used.

or

2) The consumption at a property used for the same purpose, where a business had moved from one property to another. The data used to make the estimation took the consumption data from the year prior, spanning of the same time period, and applied it to the missing month(s).

Conversion factors for fuel units to kWh were taken from the publications where the emission factors are published.

F-gas/fugitive/refrigerant emissions are currently excluded as it was not possible to make robust assumptions and therefore not included in this year's reporting scope but will be included in future years once a consistent approach to data collection has been implemented for this source.

Emissions factors

We calculate our GHG emissions, measured in carbon-dioxide equivalent (CO2e), through the collection of source data in their appropriate units (e.g. kilowatt-hours (kWh), litres (L), cubic metres (m3) etc.) and converting into the associated carbon emissions using the relevant emissions factors.

THG has used the following factors to calculate GHG emissions for the reporting period:

Scope 1

- 2024 UK Government GHG Conversion Factors for Company Reporting have been used for the Natural Gas calculations.
- On-site solar will have an emissions factor of zero.

Scope 2

- Under the Location-based reporting method, the 2024 UK Government GHG Conversion Factors for Company Reporting have been used for electricity used in UK. Overseas emissions factors were obtained from various country specific or international databases such as the AIB (Association of Issuing Bodies). A full list of sources used for 2024 emissions conversion factors used can be found in Table 1.
- Under the Market-based reporting method, supplier emission factors are used. For THG, the supplier emissions factors are used for applicable UK sites only and are from the REGO (Renewable Energy Guarantees of Origin) scheme. For UK sites not under the REGO scheme or overseas sites then the appropriate national emissions factors are used – see table below.

Emissions factor source documents

Country	Emissions factor source
Australia	National Greenhouse Accounts Factors. August 2023. (Ref: New South Wales, Queensland and Victoria)
France	IEA Emission Factors 2023, AIB European Residual Mixes 20 22 and World Resources Institute (2017) - Emission Factors from Cross-Sector Tools March 2017.
Poland	IEA Emission Factors 2023, AIB European Residual Mixes 2022 and World Resources Institute (2017) - Emission Factors from Cross-Sector Tools March 2017.
Sweden	IEA Emission Factors 2023 and AIB European Residual Mixes 2022
Ukraine*	IEA Emission Factors 2023 and World Resources Institute (2017) - Emission Factors from Cross-Sector Tools March 2017.
United Kingdom	2024 UK Government GHG Conversion Factors for Company Reporting, AIB European Residual Mixes 2022 and World Resources Institute (2017) - Emission Factors from Cross-Sector Tools March 2017.
United States of America	EPA Center for Corporate Climate Leadership. Emission Factors for Greenhouse Inventories 2023 and EPA eGRID Year 2021 data. January 30, 2023 (Ref: California, Kentucky and New Jersey)

*Emissions factor based on Poland due to lack of data availability

Emission factors are published on a calendar year basis and as such we apply the latest relevant emission factors from publications as of 31 December of the reporting year. When using the AIB European Residual Mixes document for applicable UK and EU sites, we use the "residual mix" emissions factors market-based emissions reporting and "production mix" for location-based emissions reporting. For emissions using AIB European Residual Mixes document and Green-e® Residual Mix Emission document, these will be reported as CO2 and not CO2e, the difference is immaterial but in future we will look to improve on this to ensure consistency in reporting CO2e.

Scope 3

The typical method for estimating carbon emissions is based on the methods listed below, which are shown in descending order of general accuracy below:

- Supplier specific.
- Hybrid (combination of supplier-specific and average data).
- Average data (such as industry average emission factors).
- Spend-based (applying the most relevant available environmentally extended input-output (EEIO)-derived emission factors based on spend).

Updates to emissions factors

Based on the recently delivered LCA project for a range of MyProtein products, it was identified that a necessary change in emissions factor for whey protein powder was required. The previous emissions factor used was based on economic allocation of whey

powder from cheese manufacturing, which resulted in low total emissions. Recently, industry best practices have changed and emissions for whey are now assigned based on the proportion of total milk solids. Whey makes up approximately 45% of total solids, so the resulting emissions from **whey** powder have increased significantly.

As in the above LCA project, the emissions data used for flavourings was also identified as a significant change. A renowned industry group for flavouring products, provided an average flavouring emissions factor, which was used in place of the previous data source. The emissions factor for **flavourings** was therefore reduced.

Supplier specific data

Thanks to the advancements in our PACT program, the 2024 GHG measurements are the first in which supplier specific emissions data was used. For any data source to be included, we required a 3rd party assured GHG report or calculations. Emissions factors have been developed from some suppliers and incorporated into the GHG reporting.

Intensity ratio

The intensity metrics used are 1) tonnes of CO2e per £1m revenue and 2) kWh per £1m revenue. Our emissions and energy are normalised by total company revenue for the year ended 31 December 2024, which is in line with our GHG emissions reporting period.

Restatement Policy

Where information becomes available, we will restate prior year's figures using the latest available data to make data as comparable between years as possible. The threshold for restatement for prior year adjustments and errors is 5%. Where restatements have been made for specific indicators, these will clearly be outlined in our selected greenhouse gas emissions data and Annual Report.

Next Steps

For future years, our sustainability reporting will continue to be developed, in order to include the following:

- Expansion of ESG data and metrics, for example: Water and Waste
- Roll out of Automatic Meter Readers (AMRs) to cover a greater proportion of the portfolio
- Inclusion of refrigerant emissions
- Continued transition to supplier specific LCAs and intensity data for scope 3 reporting

Contact information

sustainability@thg.com

Assurance and Assurance Statement

We engaged Forliance to undertake a limited assurance engagement using the ISAE 3000 assurance standards. The assurance process helps us review our procedures and systems, providing valuable feedback on where we can improve. All data assured by Forliance are clearly marked in THG's 2024 Annual Report & Accounts. Details of what was performed and the associated assurance statement is included below:

Independent Limited Assurance Report

To the Stakeholders of The Hut Group:

FORLIANCE GmbH ('FORLIANCE' or 'we') was engaged by The Hut Group ('THG') to provide limited assurance over specific quantitative data related to THG's greenhouse gas emissions described below for the year ended 31st December 2024.

Assurance Scope

The scope of our work was limited to assurance over the following information (the 'Selected Information') included within the THG 2024 and 2023 Carbon Footprint Reports (the 'Reports'):

- 2024 Scope 1 emissions (metric tonnes of CO_2e)
- 2024 Scope 2 location-based emissions (metric tonnes of CO_2e)
- 2024 Scope 2 market-based emissions (metric tonnes of CO_2e)
- 2024 Total energy use (kWh)
- 2024 Renewable electricity across operations (%)
- 2024 Total Scope 1 and 2 emissions UK & rest of the world (metric tonnes of CO_2e)
- 2024 and 2023 Scope 3 emissions (metric tonnes of CO_2e)
- 2024 and 2023 Scope 3 emissions split out by category (metric tonnes of CO_2e)

Both periods 2024 and 2023 are defined from 1st January until 31st December.

We have not performed any work, and do not express any conclusion, over any other information that may be included in the Reports or displayed on THG's website.

Criteria Used

The Reporting Criteria we used to form our judgements are the 'THG Basis of Reporting 2024 and 2023 ('Reporting Criteria'). The Selected Information needs to be read together with the Reporting Criteria.

Assurance Standard Applied

We performed our work in accordance with International Standard on Assurance Engagements (UK) 3000 – 'Assurance Engagements other than Audits or Reviews of Historical Financial Information' ('ISAE (UK) 3000') issued by the Financial Reporting Council.

Limitations of our Engagement

The nature of non-financial information; the absence of a significant body of established practice on which to draw; and the methods and precision used to determine non-financial information, allow for different, but acceptable evaluation and measurement techniques and can result in materially different measurements, affecting comparability between entities and over time. The Selected Information has been measured applying the Reporting Criteria which has been developed solely for the purpose of providing this non-financial information. As such the Selected Information may not be suitable for another purpose.

Responsibilities of THG

The management of THG is responsible for:

- designing, implementing and maintaining internal controls relevant to the preparation and presentation of the Selected Information that is free from material misstatement, whether due to fraud or error;
- selecting and/or developing objective Reporting Criteria;
- measuring and reporting the Selected Information in accordance with the Reporting Criteria; and
- the contents and statements contained within the Report and the Reporting Criteria.

Responsibilities of FORLIANCE

Our responsibility was to plan and perform our work to obtain limited assurance about whether the Selected Information has been properly prepared, in all material respects, in accordance with the Reporting Criteria and to report to THG in the form of an independent limited assurance conclusion based on the work performed and the evidence obtained.

Summary of Work Performed

Considering the level of assurance and our assessment of the risk of material misstatement of the Selected Information, whether due to fraud or error, our work included, but was not restricted to:

- assessing the appropriateness of the Reporting Criteria and methodologies applied for the Selected Information;
- reviewing and considering findings from the previous Limited Assurance
- conducting interviews with THG's relevant personnel to understand the key processes, systems and controls in place over the preparation of the Selected Information;

- reviewing the data collection and consolidation processes used to compile the Selected Information, including assessing assumptions made, and the data scope and reporting boundaries
- reconciling a selection of the Selected Information to the corresponding source documentation including performing analytical review procedures over selected data
- assessing calculation methodologies and formulas used (including the appropriateness of unit and carbon conversion factors) and manual calculations performed over the Selected Information;

The procedures undertaken in a limited assurance engagement differ in both nature and timing from those in a reasonable assurance engagement and are less comprehensive. Consequently, the level of assurance achieved in a limited assurance engagement is significantly lower than that which would be attained in a reasonable assurance engagement.

Conclusion

Based on the work we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Selected Information has not been properly prepared, in all material respects, in accordance with the Reporting Criteria.

KPI's 2024	Verified amount
Scope 1 emissions	**5,331.78**
Scope 2 location-based emissions	**12,647.76**
Scope 2 market-based emissions	**1,778.20**
Total Scope 1 and 2 emissions: UK location-based	9,080.39
Total Scope 1 and 2 emissions: Rest of the world location-based	8,899.15
Total Scope 1 and 2 emissions: UK market-based	4,015.11
Total Scope 1 and 2 emissions: Rest of the world market-based	3,094.87
Total energy use (kWh)	**66,238,170.28**
Renewable electricity across operations (%)	**92.0**

Scope 3 Emissions	**938,801.47**
Scope 3.1 Purchased goods and services	803,360.11
Scope 3.2 Capital goods	8,328.35
Scope 3.3 Fuel and energy related activities	2,887.41
Scope 3.4 Upstream transportation and distribution	92,407.95
Scope 3.5 Waste generated in operations	83.02
Scope 3.6 Business travel	1,647.15
Scope 3.7 Employee commuting	14,408.99
Scope 3.8 Upstream leased assets	381.48
Scope 3.9 Downstream transportation and distribution	55.50
Scope 3.11 Use of sold products	10,413.35
Scope 3.12 End of life treatment of sold products	2,885.43
Scope 3.14 Franchises	1,942.72

KPI's 2023	Verified amount
Scope 3 Emissions	**813,439.09**
Scope 3.1 Purchased goods and services	667,325.74
Scope 3.2 Capital goods	11,001.15
Scope 3.3 Fuel and energy related activities	3,832.51
Scope 3.4 Upstream transportation and distribution	96,016.53
Scope 3.5 Waste generated in operations	745.67
Scope 3.6 Business travel	1,805.53

Scope 3.7 Employee commuting	10,929.86
Scope 3.8 Upstream leased assets	1,384.37
Scope 3.11 Use of sold products	17,054.48
Scope 3.12 End of life treatment of sold products	3,343.23

Independence, professional standards and quality control

FORLIANCE affirms its independence, ethics and competence as follows:

- We have been appointed by THG, and no member of our assurance team has participated in compiling the GHG report.
- We uphold the integrity, objectivity, professional competence, due care, and confidentiality expected of a professional services provider, ensuring our work meets the rigor required by the ISAE 3000 standard.
- Our team possesses extensive experience in GHG reporting according to the GHG Corporate Accounting and Reporting Standard (revised), as well as the assurance and verification standard ISAE 3000.
- FORLIANCE implements quality control and management practices equivalent to the ISO 9001 International Standard. Our commitment to ethical conduct aligns with the standards expected of environmental and sustainability professionals in conducting ISAE 3000 engagements.

Intended use

This assurance report is made solely to THG in accordance with the terms of the engagement contract between us.

FORLIANCE GmbH

Bonn, February 25th, 2025