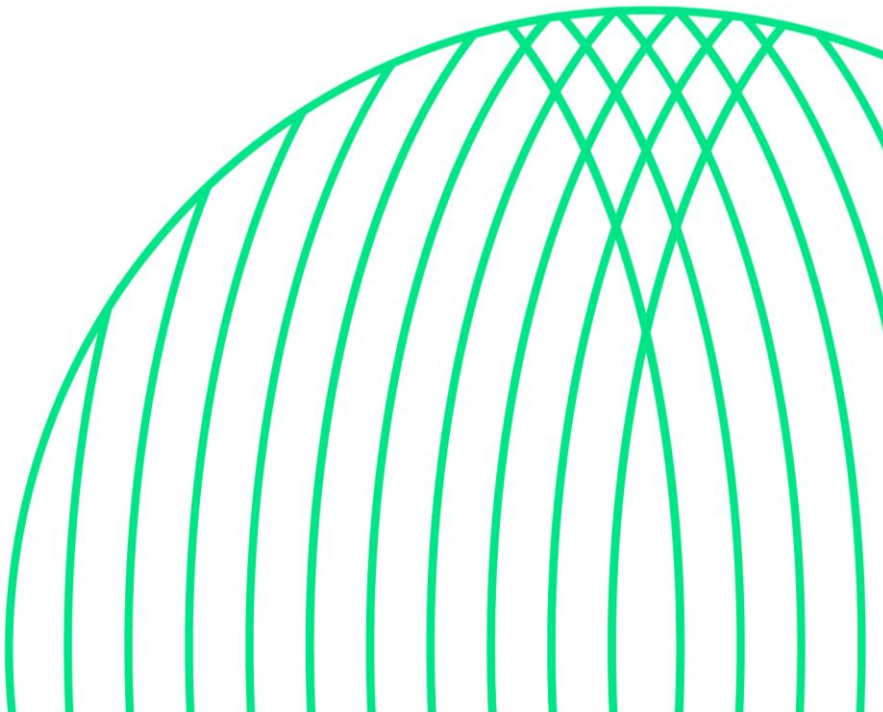
# Carbon Accounting Methodology Statement

## Basis of Reporting

**Last Updated: 24 November 2025**



# Introduction

The methodology applied for HH Global's scope 1, 2 and 3 carbon footprint calculations aligns with the World Resources Institute's Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standard and ISO 14064-1 GHG standard. Calculations are reported in the standard unit of carbon dioxide equivalent ($CO_2e$), comprising the seven GHGs as outlined in the Kyoto Protocol.

# Reporting boundary

The organisational boundary encompasses HH Global Enterprise Network Ltd, 44 Esplanade, St Helier, Jersey, JE4 9WG. This is the parent company at group level including all HH Global subsidiaries.

The carbon footprint was calculated using an operational control approach. As per this approach, HH Global accounts for 100% of the GHG emissions from sources over which it has operational control (including activities and facilities).

# Methodology overview

**Data collection process:** The data collection process was carried out by HH Global with the support and guidance of TBL Services.

Within HH Global, the following departments and individuals supported the data collection process:

- Andrew Westrop, Sustainability Director & ESG Programme Manager – responsible for overseeing the data collection process at HH Global.
- James Stone, Finance Business Partner – responsible for collecting the scope 1 and 2 primary data from relevant sites, the portfolio data, and the business travel data.
- Kieran McDaid, Senior Analyst, Business Analytics – responsible for collecting the quantity and spend for the primary and product level categories that is the underlying data used in purchased goods and services, upstream transport and distribution, and end-of-life calculations.
- Jacob Mayers, Sustainability Analyst – responsible for providing the transport data used in the upstream transport and distribution calculations.

**Data calculations:**

Activity data is preferable for GHG inventory calculations. For this reason, primary data was requested for all identified emission sources using TBL's bespoke data collection forms.

Data contributing to less than 5% to overall Scope 1 and Scope 2 emissions was not collected as it was assessed to be immaterial and unlikely to significantly affect emissions reporting.

Once returned, the data collection forms and other relevant spreadsheets, with primary data input and the units confirmed, formed the basis of the carbon footprint calculations.

Where the primary data did not cover the reporting period, extrapolation was used as the preferred approach to fill any remaining data gaps by using calculations based on intensity metrics (see Modelling approach).

**Modelling Approach:**

To model data gaps various approaches have been used, including industry average benchmarks for gas and electricity consumption per floor area occupied, and the extrapolation approach.

Extrapolation is a statistical method that extrapolates unknown data from existing data using intensity metrics and calculations. In GHG accounting, this predominantly equates to square meterage of buildings/occupied offices, revenue, or full-time equivalent (FTE) employee figures.

Where industry benchmarks or extrapolation cannot be completed, an estimation approach is taken to fulfil remaining data gaps. For example, when 80% of primary data is provided, the remaining 20% is estimated by calculating an average from the existing data and applying that to the remaining 20% of data points.

**Emission factors:** The most relevant and granular emissions factors were used where possible. They were extracted from the following sources:

- UK Government GHG Conversion Factor for Company Reporting 2024 by the UK Department for Energy Security and Net Zero (DESNZ).
- EXIOBASE multi-regional environmentally extended input-output (MR EE-IO) model.
- US Environmental Protection Agency (EPA), 2024 GHG Emission Factors.
- International Energy Agency (IEA), Electricity Emission Factor Database, 2024
- Association of Issuing Bodies (AIB), European Residual Mix Emission Factors, 2023
- US Green-e are the US grid level Residual Mix Emission Factors for electricity not covered with Guarantees of Origin.
- Ecoinvent 3.9.1, 2023
- Ember (2024), Energy Institute – Statistical Review of World Energy, 2024, with major processing by Our World in Data.

**Currency conversion and inflation adjustment approach:** Spend-based emission factors were provided by EXIOBASE (2019), using euros as the currency. Based on spend data categorisation, the spend is converted to the most relevant emission factor currency and then adjusted for inflation using the corresponding Consumer Price Index to transform it to the equivalent purchasing power.

## Carbon data and methodology

| Scope Category | Data Type and Description | Calculation Methodology |
|---|---|---|
| **Scope 1** | | |
| Stationary Combustion | Activity data: Fuels burnt onsite in stationary equipment used to generate heat. | For any sites where specific Natural Gas consumption data was provided (kWh per facility), this was used as primary data. For any sites where there is no data provided, but HH Global have confirmed that the site was operational, then modelling of usage was completed. The activity data is processed, including extrapolation and apportionment as required, then multiplied by the relevant emission factor (EF). |
| Mobile Combustion | Activity data: Fuels burnt in company-owned vehicles. | Data was provided covering the litres of fuel consumed in mobile equipment. The processed activity data was then multiplied by the relevant EF. |
| Refrigerants | Activity data: Leakage and top ups from refrigeration and air conditioning systems. | Data was provided in kg where possible and any gaps estimated where necessary. The processed activity data (kg per refrigerant type) was then multiplied by the relevant EF. |
| **Scope 2** | | |
| Purchased Electricity (location-based) | Activity data: Electricity purchased for buildings and company-owned electric vehicles. | Primary electricity consumption data (kWh) was provided at owned or controlled facilities by HH Global. Processed primary data was multiplied by the relevant EF.<br><br>For any sites where no primary data was available, but HH Global confirmed the site was operational, then modelling of usage was required. Energy use was modelled using average kWh consumption per square feet by facility type (Office and Warehouse and storage) obtained by third party sources and then multiplied by the relevant EF. |
| Purchased Electricity (market-based) | Activity data: Electricity purchased for buildings and company-owned electric vehicles, including renewable energy and Energy Attribution Certificates. | Same approach taken as location-based method, with the exception of activity data being multiplied by the relevant market EF for renewable electricity and accounting for the purchase of Energy Attribution Certificates where this was required. |

| Scope 3 | | |
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| Category 1: Purchased goods & services | Products purchased in the reporting period, including goods (tangible products) and services (intangible products)<br><br>Procurement spend: Provided in USD for goods not for resale.<br><br>Hybrid method: Creation of bespoke purchased goods and services emission factors and quantity data for goods for resale. | Spend was provided for goods not for resale, converted to the relevant currency and inflation rate before multiplying by the relevant EF.<br><br>Hybrid method: For goods for resale, emissions from the weight and transport of materials from HH Global's Tier 1 suppliers along with Tier 1 suppliers' scope 1 and 2 activity were combined to create bespoke purchased goods and services emission factors (kgCO2e/unit). These EFs have considered different material weights, type and composition. A 50% correction factor was applied to emission factors relating to production due to limited traceability across certain energy use factors.<br><br>Primary data on the quantity of units purchased were obtained and this was multiplied by the relevant bespoke EFs. Emissions from goods not for resale and goods for resale were combined to give total emissions associated with purchased goods and services. |
| Category 2: Capital goods | Procurement spend: Provided in GBP for capital goods. | Included in Category 1 using spend-based method. |
| Category 3: Fuel and energy-related activities | Activity data: From scope 1 and 2 and business travel categories. | Energy consumption data was converted to kWh were required and multiplied by the relevant EF. |
| Category 4: Upstream transportation and distribution | Emissions from third-party transportation and distribution services or in vehicles not owned by the company.<br><br>Distance-based data: Creation of bespoke freight emission factors, as well as weight and distance data, and quantity of units. | Data from EcoTransIT, a third-party provider that calculates emission from freight using known shipping routes along with primary data on transport methods obtained from HH Global were used to create bespoke freight emission factors (kgCo2e/unit).<br><br>Primary data on the quantity of units sold were obtained and multiplied by the relevant bespoke freight EF. |

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| Category 5: Waste generated in operations | Activity data: Waste generated per site.<br><br>Average data: Secondary data source used for average waste types and treatment methods. | Total waste generated per site was apportioned to national average waste type and treatment method and multiplied by the relevant EF. Where no specific waste data was available, data gaps were modelled using the Exiobase data gap modeller.<br><br>Due to the unforeseen closure of Emitwise, the carbon accounting software platform used for Category 5 calculations, there is limited visibility over the emissions calculation method using the Exiobase model. Therefore, there is potential for uncertainties, errors and limitations. |
| Category 6: Business travel | Activity data: Mileage per travel type.<br><br>Spend-based data: Expense claims through credit cards. | Distance-based method: Primary distance data for land and air travel data were provided and multiplied by the mode of transport EF.<br><br>Spend-based method: Associated spend data for travel purposes were multiplied by the mode of transport EF. |
| Category 7: Employee commuting | Average data: Employees mode of commute to work and teleworking emissions. | Employee commuting was modelled using average commuting distances, number of in-office days and transport mode. Miles travelled per transport type was multiplied by the corresponding mode of transport EF.<br><br>Teleworking emissions were modelled using number of employee-days working from home, estimated employee count and homeworking percentage data.<br><br>Due to the unforeseen closure of Emitwise, the carbon accounting software platform used for Category 7 calculations, there is limited visibility over the emissions calculation method using the Exiobase model. Therefore, there is potential for uncertainties, errors and limitations. |
| Category 12: End-of-life treatment | Waste disposal and treatment of products sold by the company at the end of their life.<br><br>Average data: weight of sold products including packaging, waste treatment methods. | Primary data on the total weight of sold products and the associated packaging from the point of sale was summed, divided into end-of-life waste treatment methods and then multiplied by the relevant emission factor. |

## Intensity metrics

In GHG accounting, intensity metrics are used to express the ratio of GHG emissions. They quantify the amount of GHG emissions produced per unit of activity, output, or service, with HH Global measuring tonnes CO2 equivalent per million pounds of revenue.

## Recalculation policy

According to the GHG Protocol and Science-Based Targets Initiative (SBTi), companies shall develop a base year emissions recalculation policy. Events such as structural changes to the organisation boundary, changes in the calculation methodology, and/or discovery of significant errors shall trigger a base year recalculation. Aligned with best practise, HH Global define the significant threshold for a recalculation as a change of 5% in the organisation's total base year emissions.

Due to the methodology changes for scope 3, affecting purchased goods and services, upstream transport and distribution, and the end-of-life treatment categories, and in line with best practise, the 5% significance threshold for re-baselining has been triggered. Previous years emissions for FY22-FY24 have been recalculated using the updated methodology used in FY25 to ensure consistency across year for comparison purposes.

## Carbon targets

HH Global have committed to Science Based Targets Initiative, their targets include a net-zero commitment to reach net-zero emissions across the value chain by FY2040, a near-term commitment to reduce absolute scope 1,2 and 3 GHG emissions 50% by FY2030, and a long-term commitment to reduce absolute scope 1,2 and 3 GHG emissions 90% by FY2040. All commitments are from a FY2022 base year.

HH Global also have a target in place to achieve 100% renewable electricity by 2025, which has been achieved through the purchasing of energy attribution certificates (EACs).