Carbon Reduction Plan and Policy

1. Background and Commitment to Achieving Net Zero

On 2nd January 2025, the Ingenuity Group was demerged from THG PLC. From this date therefore, the Ingenuity Group operates as a stand-alone, privately-owned business.

Prior to demerger, THG Ingenuity information and targets were aligned to that of THG PLC. After the demerger, the Group has established an ESG Working Committee, chaired by the Group CFO. The Committee through the CFO is responsible for providing the board with a view on related risks, reporting and regulatory requirements. Following a demerger from its previous parent company (THG PLC), THG Ingenuity is continuing to establish and evolve its standalone ESG strategy and associated targets.

THG Ingenuity is committed to achieving Net Zero emissions. As a responsible business, we are committed to working within UK government guidelines and expect to align with the national Net Zero target no later than 2050. This Carbon Reduction Plan outlines our baseline, current emissions, and the measures we are implementing to reduce our carbon footprint.

2. Baseline Emissions Footprint

Baseline emissions are a record of the greenhouse gases that have been produced in the past and were produced prior to the introduction of any strategies to reduce emissions. Baseline emissions are the reference point against which emissions reduction can be measured.

Baseline Year: Financial Year 2024 (FY24) (1st January 2024 – 31st December 2024)

Additional Details relating to the Baseline Emissions calculations:

THG Ingenuity has established FY24 as its baseline year, representing the comparative period prior to the group operating as a standalone group post-demerger.

The footprint covers our Scope 1 and Scope 2 operational emissions. For the purposes of fulfilling the requirements of PPN 006, we note the requirement to disclosure information in respect of Scope 3 emissions.

As a privately owned group, THG Ingenuity does not have a separate statutory obligation to report Scope 3 emissions. However, management are committed to meeting the requirements of PPN 006 and as such have included Scope 3 information for the baseline period (see Appendix 1). The Group plans to implement procedures and processes to capture and report on Scope 3 emissions, in addition to Scope 1 and Scope 2, moving forward. Calculations are conducted in accordance with the Greenhouse Gas (GHG) Protocol Corporate Standard using the appropriate Government emission conversion factors.

Emissions Data – Baseline period and current

Emissions data available at the date of this plan being approved have been included for reference in Appendix 1.

3. Emissions Reduction Targets

To continue our progress toward achieving Net Zero, we will measure our emissions and performance against our established FY24 baseline. Post-demerger, we are focusing on establishing baseline data and refining our processes. As our ESG strategy continues to evolve, we will set appropriate interim targets and timelines to ensure we remain on a steady and realistic trajectory to meet the UK Government's 2050 Net Zero commitment.

4. Carbon Reduction Projects

The following environmental management measures have been adopted by THG Ingenuity to reduce its carbon emissions. These measures will be in effect during the performance of central government contracts.

Implemented & Ongoing Measures

- **Transition to Renewable Electricity:** Replaced standard grid electricity with renewable electricity tariffs covered by Renewable Energy Certificates (RECs) across our main offices and fulfillment centers, significantly reducing Scope 2 emissions.
- **Energy Efficiency Upgrades:** Completed LED lighting retrofits and optimized HVAC systems via Smart Building Energy Management Systems (BEMS) in our distribution hubs.
- **Waste Management & Recycling:** The Group's Eco division supports sustainable recycling initiatives.
- **Eco Deliveries & Consolidation:** Partnered with core logistics providers to offer eco-friendly delivery options and route optimization to decrease downstream transport carbon intensity.
- **Sustainable Commuting:** Promoted hybrid working arrangements, launched a Cycle-to-Work scheme, and introduced an Electric Vehicle (EV) salary sacrifice scheme to reduce commuting emissions and introduced EV chargers on site.

Evolving & Future Focus Areas

- **Low-Emission Logistics:** Actively collaborating with major courier partners to prioritize electric vehicle fleets and explore low-carbon transport modes for downstream fulfillment.
- **Carbon Literacy awareness:** Initiated delivery of carbon literacy aids to our procurement, logistics, and management teams to further embed sustainability and environmental criteria into daily operational decision-making.

5. Declaration and Sign-Off

This Carbon Reduction Plan has been considered in accordance with PPN 006 and associated guidance and reporting standards.

This plan is applicable to the THG Ingenuity group and its relevant subsidiaries. A full list of subsidiary entities covered by this plan can be appended upon request. This Carbon Reduction Plan has been reviewed and signed off by the Chief Financial Officer on behalf of the THG Ingenuity ESG Committee.

Signed on behalf of the Supplier:

Company Name:	THG Ingenuity
Authorized Signatory:	
Name (Printed):	Steven McKiernan
Title/Position:	Chief Financial Officer
Date:	3rd September 2026

Appendix 1

Emissions Data

Scope 1 and 2 data is prepared and is disclosed consistently with the Group's statutory reporting requirements. Scope 3 information for FY24 has been included as the baseline period. Due to the complexities arising upon demerger, the FY25 Scope 3 data is currently being prepared.

Summary of Scope 1 and Scope 2 carbon emissions

The following table presents our revised energy consumption and GHG emissions alongside our 2025 footprint, fulfilling our obligations under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 and the Streamlined Energy and Carbon Reporting Regulations (2019) and in accordance with the GHG Protocol.

Group-wide energy consumption	2025	2024
Source – Energy use (kWh)		
Natural gas (Scope 1)	**6,125,873**	7,428,334
Fuel inc. transport (Scope 1)	**6,215,490**	5,962,407
Electricity (Scope 2)	**21,730,549**	17,548,715
Total	**34,071,912**	30,939,456
Total UK	**29,534,782**	23,589,101
Total GHG intensity per £1m revenue	**50,609**	49,640

Renewable v non-renewable electricity	2025	2024
Electricity use (kWh)		
Renewable	**21,516,992**	14,458,787
% of total kWh	**99.0%**	82.4%
Non-renewable	**213,557**	3,089,928
% of total kWh	**1.0%**	17.6%

Group-wide Scope 1 and 2 GHG emissions – location based	2025	2024
GHG emissions (tonnes of CO_2e)		
Scope 1	**2,785.4**	2,780.9
Scope 2	**5,042.0**	10,016.3
Total	**7,827.4**	12,797.1
Total UK	**5,754.3**	3,765.8
Total GHG intensity per £1m revenue	**11.6**	20.5

Group-wide Scope 1 and 2 GHG emissions – market based	2025	2024
GHG emissions (tonnes of CO_2e)		
Scope 1	**2,785**	2,781
Scope 2	**134**	1,719
Total	**2,919**	4,500
Total UK	**2,539**	2,501
Total GHG intensity per £1m revenue	**4.7**	7.2

Scope 3 emissions

Emission Source	tCO_2e
Upstream transportation and distribution	90,085.07
Waste generated in operations	38.06
Business travel	127.95
Employee commuting	8,374.15
Downstream transportation and distribution	0.00