moonpig group plc

Revenue and profit growth underpinned by technology and innovation

Sustainability Report 2024

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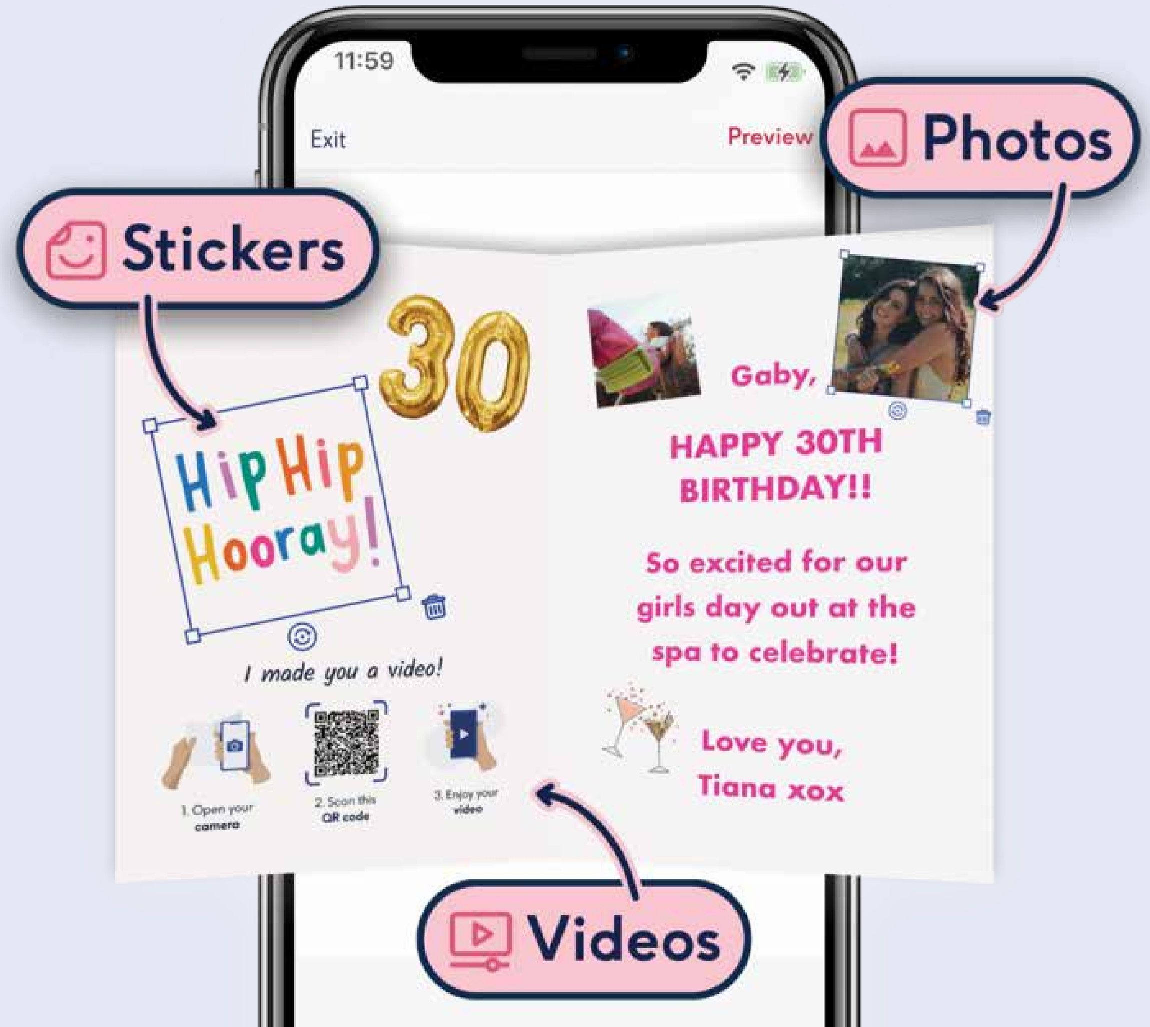
Creating better, more personal connections between people who care about each other

Sustainability Report 2024



The Group's sustainability strategy focuses on making a difference to the environment, its people and its communities.

Across an extended period, Moonpig Group has contributed to society through its core purpose, which is to create better, more personal, connections between people who care about each other and through its support for charities. We have built on these foundations through ongoing delivery against the Group's sustainability strategy.

Our sustainability strategy commits the Group to eight long-term goals focused on the environment, its people and its communities.

This document sets out the Group's sustainability disclosures for FY24 and should be read in conjunction with our FY24 Annual Report and Accounts which can be accessed at www.moonpig.group/investors.

UN Sustainable Development Goals

We focus on six of the United Nations' 17 Sustainable Development Goals that we consider most relevant to the business.

SDG 4 Quality education Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	• Goal 7: Technology representation
SDG 5 – Gender equality Achieve gender equality and empower all women and girls	• Goal 4: Leadership representation • Goal 7: Technology representation
SDG 8 – Decent work and economic growth Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	• Goal 5: Employee engagement
SDG 12 – Responsible consumption and production Protect, restore and promote sustainable use of terrestrial ecosystems and sustainably manage forests	• Goal 3: Forest positive
SDG 13 – Climate action Take urgent action to combat climate change and its impacts	• Goal 1: Net zero operational emissions • Goal 2: Net zero value chain emissions
SDG 15 – Life on land Protect, restore and promote sustainable use of terrestrial ecosystems and sustainably manage forests	• Goal 3: Forest positive

Delivery against the Group's Sustainability Goals in FY24

Goal	Progress to date	Next steps for FY25
Goal 1 – Deliver Net Zero direct emissions by 2050. The Group is committed to: (a) reduce absolute emissions arising from its own operations (Scope 1 and Scope 2) by at least 50% by 2030, validated by the SBTi; (b) reduce operational emissions by at least 90% by 2050; and (c) offset any emissions that cannot be reduced. Reduction targets are expressed relative to total emissions of 677tCO_2e in the baseline year of FY20[1,2].	In FY24, the Group's total Scope 1 and 2 emissions were 535tCO_2e[2], (FY23: 540tCO_2e[4]) representing a reduction of 21% from FY20 baseline[1] emissions of 677tCO_2e. The Scope 1 and 2 baseline validated by the SBTi was for total emissions of 635tCO_2e at Moonpig and Greetz in FY20[1], which has been re-calculated for the acquisition of Experiences. The reduction in emissions was driven by the full-year impact of the FY23 opening of two new fulfilment sites with high environmental standards (including a BREEAM Excellent-rated facility in the UK and a Netherlands facility retrofitted in line with best practice) and making continuous improvements. During FY24 we conducted energy audits to understand potential actions to reduce operational emissions. We have offset Scope 1 and 2 emissions from the previous year by investing through Climate Impact Partners, which obtains independent verification from a recognised accreditation body for each project that it works with.	Solar panels are to be fitted at our Netherlands facility in FY25 under a lease agreement recently put in place with the landlord. We will implement the findings of the recently completed energy audits. We will consolidate our Dutch footprint by relocating head office functions from Amsterdam to our facility in Almere. We will continue to procure renewable energy for our offices and operational facilities, exploring decentralised options such as solar panels. We will also prioritise energy efficiency enhancements and investigate strategies to reduce natural gas consumption.
Goal 2 – Deliver Net Zero value chain emissions by 2050. The Group aims to deliver Net Zero value chain missions by 2050: • Obtain commitments from suppliers to set net zero emissions reduction targets aligned with SBTi criteria representing 67% of Scope 3 emissions by 30 April 2030. • Reduce Scope 3 emissions intensity by 97% tCO_2e/£1m of revenue[3] by 2050, using FY22 as the baseline year, offsetting any emissions which cannot be reduced.	We have re-expressed Scope 3 emissions intensity for the baseline year of FY22[1] from 433tCO_2e/£1m of gross profit to 233tCO_2e/£1m of revenue[3]. Absolute baseline Scope 3 emissions remain unchanged at 80,928tCO_2e. In FY24, we reduced emissions by 60tCO_2e from our baseline. Revenue intensity remained broadly consistent between FY22 and FY24, offsetting the reduction in absolute emissions is the £39m COVID-related revenue boost in FY22. Emissions by category and measurement methodologies are set out at pages 14 to 18. As at 30 April 2024, we had obtained commitments from suppliers representing 19.3% of Scope 3 emissions to set net zero emissions reduction targets aligned with SBTi criteria. The GHG emissions disclosure on pages 15 to 16 includes details of our Scope 3 categories, our organisational and operational boundaries and the methodologies we use to measure value chain emissions.	The Group intends to continue to work with its delivery partners, focusing in FY25 on those that do not have publicly disclosed reduction targets.
Goal 3 – Reforest at least 330 hectares of woodland by the end of calendar year 2025. The Group relies on wood pulp to make its products and therefore aims to be "forest positive". This means that we will plant more trees than we use in our operations and value chain.	In FY24, we achieved 66% cumulative delivery against this five-year goal (FY23: 46%). In partnership with Tree-Nation, we planted 66 hectares of woodland, comprising 103,000 trees (FY23: 99,000), in addition to any emissions offsetting conducted within Goal 1. We worked with Tree-Nation to focus planting activity in ecologically sensitive areas and safeguard the long-term impact of tree planting by managing the forests. We contributed to projects in Madagascar, Nepal, Tanzania, Columbia, Thailand, India and the UK.	The Group intends to plant a further 66 hectares of forest in FY25.

1 For Scope 1 and Scope 2 emissions, the baseline year is FY20 and this has been validated by the SBTi. The FY20 baseline has been re-calculated for FY20 emissions at Experiences, following the acquisition of that segment. For Scope 3, the baseline year is FY22, which includes FY22 Experiences emissions.

2 Scope 2 emissions are calculated using the "location-based" method. For comparatives using the "market-based" method, see page 14.

3 The emissions target has been re-expressed as the Group has decided to align its intensity reporting metric with the Corporate Sustainability Reporting Directive and therefore is presented its intensity targets as a function of revenue. In FY23 the target was expressed as a reduction of 97% tCO_2e/£1m gross profit.

4 The FY23 Scope 1 emissions have been increased by 9tCO_2e compared to the FY23 ARA to correctly reflect the measurement of gas consumption in kWh.

Delivery against the Group's Sustainability Goals in FY24
continued

Goal	Progress to date	Next steps for FY25
Goal 4 – Maintain the combined representation of women and ethnic minorities on the Leadership Team[1] at around 50%. The Group wants to be representative of its customers and the communities in which it operates.	As at 30 April 2024, the combined representation of women and ethnic minorities on the Leadership Team[1] was 49% (April 2023: 52%). Across the Group, 50% of individuals newly appointed into Leadership Team[1] roles were female (FY23: 42%).	We will continue to develop our next generation of female leaders and monitor the retention of women and ethnic minorities currently in leadership roles.
Goal 5 – Reach and maintain an employee engagement score at or above 72%. Improving engagement in our teams will improve productivity and hence business performance. It will help to ensure that employees are retained for longer, reducing recruitment costs.	The Group's average engagement score across two surveys was 61%, in-line with the prior year[2] (61%) but below our long-term goal (72%). The results reflect the continued challenges of operating in an economic downturn, characterised by more disciplined cost control and greater pressure to meet targets. Management has focused during the year on increasing employees' understanding of the Group's strategy and it was particularly pleasing that the April 2024 score for "I understand the long-term strategic direction for Moonpig Group" improved from 62% to 81%.	Our action plan for FY25 employee engagement is built around raising the proportion of employees who agree with the survey statement "I feel proud to work for this company."
Goal 6 – Invest £1m between 2020-2025 through the Moonpig Group Foundation. Through the Moonpig Group Foundation, we want to support initiatives that create connections and spark moments of joy in our communities.	During FY24 the Moonpig Group Foundation made charitable donations totalling £176,000 (FY23: £211,000). As at 30 April 2024 the Foundation has cumulatively donated £620,000 (30 April 2024: £444,000) to third-party charities since being set up in FY21. The Group also made charitable donations on its own account totalling £436,000; £304,000 to the Foundation and £132,000 direct to charities (FY23: £70,000, all to the Foundation).	Employees in each of our locations have chosen a cause to support in FY25. The chosen charities are Campaign Against Living Miserably (UK), The Willow Foundation, The Ivy Trust (Guernsey) and Stichting Jarige Job (Netherlands).
Goal 7 – Maintain the level of new hires into technical roles[3] at around 45% women. To deliver the Group's strategy, we need to hire highly skilled technology workers from all areas of society.	In FY24 40% of new hires into technical roles were female (FY23: 45%). As at 30 April 2024, 33% of employees in these teams are female (FY23: 34%). We have confidence in our ability to increase these KPIs. Our current performance remains favourable compared to the wider market, which we attribute to having built excellent relationships with gender diversity organisations such as SheCanCode and Women In Tech. During the year, we have continued to develop our mentoring and experiences programmes with them.	There are opportunities to more closely align recruitment processes at Experiences with recruitment processes already operated at Moonpig and Greetz. We will continue our partnership with Cajigo, a technology platform focused on mentoring women in technology.
Goal 8 – Reach and maintain a top-quartile Customer NPS score of at least 70. The Group's mission is to help people connect and it is important that the Group's customers believe it is doing this.	For FY24, the Group's weighted average customer NPS score was 57 (FY23[2]: 60). The reduction in customer NPS from 71 in FY22 is driven by issues with postal delivery and primarily reflects the impact of poor delivery performance by the postal services in both the UK and the Netherlands.	Our FY25 plans focus on: (1) leveraging our database of reminders to encourage earlier ordering and delivery. (2) UX improvements in relation to how we communicate estimated delivery dates; (3) providing more options for tracked letter delivery.

1 Comprises the Executive Committee (including Executive Directors) and their direct reports who are also members of the Extended Leadership Team.

2 Employee engagement score and customer NPS for FY23 is stated for Moonpig and Greetz only. For FY24 we have extended measurement to Experiences, hence figures are stated for the Group.

3 Technical roles for these purposes comprise those in technology security, engineering, product and analytics.

The environment

The Group aims to reduce emissions across its value chain and proactively manage the transition to a lower-carbon economy.

Environmental impact of products and services

In FY24, the proportion of sustainably sourced paper, card and packaging across all our brands was 100% (FY23: 100%) in the UK and the Netherlands and 98% (FY23: 98%) globally. In addition, all cards, envelopes and packaging procured by Moonpig and Greetz in the UK and Netherlands are reusable, recyclable or compostable.

The Group is committed to phasing out single-use plastic packaging through our own operations and throughout its value chain. Single-use plastics have been completely removed from the Group's operations in the UK during FY24 and we intend to completely remove them from our operations in the Netherlands in FY25. The Group also has a packaging waste management programme in place. At Experiences, all experience gift cards are made of compressed paper rather than plastic.

Statement of the extent of consistency with the TCFD framework

This document sets out the Group's full climate-related disclosures for FY24. It is based on the requirements of "Recommendations of the Task Force on Climate-related Financial Disclosures" published in June 2017 and "Implementing the Recommendations of TCFD" published in June 2021 by the TCFD. In addition, the Group has set out material changes during the past year in the FY24 Annual Report and Accounts, which can be accessed at www.moonpig.group/investors. Additionally, the Group has ensured compliance with the Companies Act 414CB and has indicated in the below table which of the climate-related disclosures, outclines in CA414CB, are addressed by the TCFD recommended disclosures.

The following table sets out the extent of consistency of Group's disclosures with the four recommendations and the eleven recommended disclosures set out in the initial TCFD report. Disclosure outlined in the "Guidance for All Sectors", included within the updated report published in 2021, has been presented against each Pillar section of this TCFD report on pages 6 to 22:

TCFD pillar	TCFD recommended disclosure	Status		CA 414CB
1. Climate governance The organisation's governance around climate-related risks and opportunities	a) Describe the Board's oversight of climate-related risks and opportunities.	●	The Board's oversight is described across pages 6 to 7.	(a)
	b) Describe management's role in assessing and managing climate-related risks and opportunities.	●	Management's role is described across pages 6 to 7.	(a)
2. Climate strategy The actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material	a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term.	●	The Group's climate-related risks and opportunities are disclosed across pages 8 to 12.	(d)
	b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning.	●	The impact of this risk assessment on business strategy and financial planning is set out at page 9.	(e)
	c) Describe the resilience of the organisation's strategy, taking into consideration different climate scenarios.	◐	The Group has qualitatively assessed its resilience to individual climate risks, but has not prepared integrated, quantified climate scenarios due to transitional challenges in embedding the relevant capabilities. We intend to ensure full consistency with this requirement within the next three years. Refer to pages 11 to 12.	(f)

The environment continued

TCFD pillar	TCFD recommended disclosure	Status		CA 414CB
3. Climate risk management How the organisation identifies, assesses and manages climate-related risks	a) Describe the organisation's processes for identifying and assessing climate-related risks.	●	The Group's processes for identifying and assessing climate-related risks are set out at page 13.	(b)
	b) Describe the organisation's processes for managing climate-related risks.	●	The Group's processes for managing climate-related risks are set out at page 13.	(b)
	c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management.	●	Climate risk management is fully embedded within the Group's overall risk management framework. Refer to statement on page 13 and summary of the Group's risk management process in the FY24 Annual Report and Accounts which can be accessed at www.moonpig.group/investors.	(c)
4. Climate metrics and targets The metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material	a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	●	The Group's climate-related metrics are disclosed at pages 14 to 16. One TCFD cross-industry metric category (internal carbon prices) is not disclosed, however this is because the Group does not use internal carbon prices due to its low carbon footprint.	(h)
	b) Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas emissions and the related risks.	●	Disclosure of absolute Scope 1, 2 and 3 GHG emissions for FY24 and FY23 is set out on pages to 14 to 16.	(h)
	c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	●	The Group has set targets for Scope 1, 2 and 3 emissions and the proportion of Scope 3 emissions from suppliers with an emissions reduction target aligned with SBTi criteria. Refer to page 19 to 22.	(g)

Disclosure level:

● Full consistency ◐ Partial consistency ○ Omitted disclosure

Voluntary assurance over TCFD disclosures

The Group has not obtained voluntary assurance over any area of FY24 TCFD reporting.

TCFD Pillar 1: climate governance

Disclosures (a) and (b) – Board oversight and management role

The following governance arrangements are relating to the assessment and management of climate-related risks and opportunities:

Area	Disclosure (a) – Board oversight	Disclosure (b) – Management role
Structure Effective integration of climate-related risk and opportunity assessment and management into the Group's governance structure.	The Board has collective responsibility for risk, including climate-related risk. The Board does not consider it currently necessary to establish a dedicated sustainability committee, given the size and composition of the Board (in which all Independent Non-Executive Directors sit on all committees). The Board has appointed Susan Hooper as the lead Independent Non-Executive Director in relation to oversight of sustainability-related matters, including climate-related matters.	A management Sustainability Working Group meets regularly throughout the year to coordinate climate-related planning, delivery against those plans and climate-related disclosure. The management Sustainability Working Group comprises the Chief Financial Officer ("CFO") and the Chief Operations Officer ("COO") together with individuals in finance and sustainability roles. The CFO oversees maintenance of the sustainability risk register. The COO oversees the updating of and delivery against the Group's climate transition plan.
Expertise Possession of knowledge, skills, experience and background to ensure awareness and understanding of climate-related risks and opportunities.	As at 30 April 2024, eight Board members had ESG skills and experience, including relating to climate matters, as identified by the Board skills evaluation summarised in the Nomination Committee report on page 100 of the Annual Report and Accounts 2024. The Audit Committee has received external updates on the roadmap for potential future climate-related regulatory reporting requirements. The Remuneration Committee obtained independent remuneration advice prior to setting a climate-related bonus measure and target for FY24.	There is relevant knowledge and skills within the Group's finance and ESG teams. Management obtains specialist advice relating to climate-related matters where appropriate. The Executive Directors obtained external advice on the development of the Group's Sustainability Strategy in FY21 and on the initial implementation of TCFD framework disclosures in FY22.
Accountability Recognition of duties to shareholders concerning to climate change.	The Board recognises its duties to shareholders for the long-term stewardship of the Group and holds itself accountable for ensuring long-term resilience with respect to potential shifts in business landscape that may result from climate change.	Management is responsible for ensuring that the Board has access to the information required to enable the Board to discharge its duties in relation to sustainability change and wider sustainability risks and opportunities. For this reason, the Group's inaugural sustainability risk register (replacing the climate-related risk register in place during FY23) was prepared by management and approved by the Board. The more prominent items from this register are located at the end of the document on page 31.
Strategic integration Systemic consideration of climate in strategic planning and decision-making and embedding into risk management.	The Board receives annual, scheduled updates from the Chief Operations Officer on climate-related strategy and delivery against it. Climate risk is not procedurally embedded into processes for strategic planning, budgets, capex and M&A on grounds of materiality. However, there is routine discussion and challenge on climate-related impacts during Board and Committee meetings.	Climate-related risk is embedded into the Group's "three lines of defence" model of its risk management framework. During FY24, we strengthened first-line procedures and controls, acting on the recommendations of a sustainable procurement maturity assessment performed in FY23 by the Group's outsourced internal auditors with substantially all proposed management actions having been remediated during the year.
Materiality Structures are in place for reviewing the materiality of climate-related risks and opportunities and ensuring a proportionate response.	The Group's climate-related risks and opportunities are assessed and approved by the Board twice each year, based on advice from the Audit Committee. The basis on which the Group has assessed materiality for the purposes of climate-related disclosures is set out on page 8.	The CFO is responsible for maintaining a register of climate-related risks and opportunities, as part of the Group's risk management process. The CFO presents the Group's primary climate-related risks to the Audit Committee and the Board twice each year.

The environment continued

Stakeholder engagement

We took significant steps in FY23 to strengthen and formalise our sustainability governance framework. We have focused in the last twelve months on embedding this, whilst engaging with external stakeholders.

Several independent agencies rate our sustainability performance throughout the year including MSCI, Sustainalytics and ISS ESG, and we engage on a regular basis to ensure the accuracy of their monitoring.

We also participate voluntarily in the Carbon Disclosure Project ("CDP"), a not-for-profit charity that runs a global disclosure system for investors, companies, states and public authorities. Our engagement with the CDP involves disclosure of our carbon emissions data and climate-related strategies allowing investors, stakeholders, and the public to assess our environmental impact and efforts to mitigate climate change. Through the disclosure process, we gather insights into our environmental impact and identify areas for improvement. We were pleased to see our CDP score for 2023 improve year on-year from D to B, which is the third highest of the eight CDP scoring bands.

Area	Disclosure (a) – Board oversight	Disclosure (b) – Management role
Remuneration Incorporation of climate-related measures and targets in management remuneration.	The annual bonus scheme for the Executive Directors, Executive Committee and Extended Leadership Team includes a climate-related target in relation to obtaining commitments from suppliers in setting emissions reduction targets aligned with SBTi criteria.	For FY24 and FY25, the annual bonus scheme includes a climate-related target that applies for all members of the Executive Committee and for the Extended Leadership Team.
Reporting Consistent and transparent disclosure of material climate-related risks and opportunities.	The Board approves the Group's TCFD disclosures as part of the process for the approval of the Annual Report and Accounts, on advice from the Audit Committee.	Management is responsible for the preparation of the Group's climate-related reporting.
Stakeholder exchange Appropriate engagement and dialogue with stakeholders.	The Independent Non-Executive Director with responsibility for oversight of sustainability matters is a founding director of Chapter Zero, an organisation which promotes corporate awareness of climate change.	The Executive Directors discuss sustainability and other ESG topics as part of their ongoing programme of meetings with investors, fund managers and analysts. Management engages with selected third-party organisations that monitor company sustainability performance. The Group's carbon emissions reduction target was validated by the Science Based Targets initiative ("SBTi") during FY21. The Group submitted its second disclosure to the Carbon Disclosure Project ("CDP") during FY24 and its rating improved from a D to a B, which is above both the global average and the discretionary retail sector.

TCFD Pillar 2: climate strategy

Disclosure (a) – description of climate-related risks and opportunities

The Group has identified the following key climate-related risks and opportunities, which are unchanged from prior year and further described on pages 10 to 12:

Category	Theme		Risk or opportunity
Physical risks	Acute and chronic physical risks	R1	Operational sites and distribution exposure to physical risks
Transition risks	Price analysis and regulatory changes	R2	Carbon tax and pricing mechanisms in a Paris Agreement Aligned scenario
	The path to decarbonisation	R3	Potential consumer preference changes in a Paris Agreement Aligned scenario
		R4	Future failure of suppliers to decarbonise in a Paris Agreement Aligned scenario
Transition opportunities	Price analysis and regulatory changes	O1	Increased usage of renewable energy and on-site solar generation
	The path to decarbonisation	O2	Decarbonisation of distribution
		O3	Lower carbon product portfolio, sustainable wood products and packaging
		O4	Increased consumer demand for recycled content
		O5	Reforesting initiatives

The Group considers that the above risks are common to all the Group's segments and principal geographies.

For operational risks, the Group considers impact over three years, which aligns to the Group's viability statement period. However, climate risks and opportunities may crystallise over a longer period, therefore our assessment of climate-related risks considers three time horizons:

- **Short term (up to 3 years)** – climate-related risks which are identified as material within this time frame will additionally be categorised as a principal risk, in line with our overall risk management process.
- **Medium term (3 to 10 years)** – climate-related risks which are identified as material during this time frame are monitored and assessed.
- **Long term (over 10 years)** – the Group recognises that it must consider and address longer-terms risks as it formulates business strategy.

When assessing climate-related risks and opportunities, the Group applies the "double materiality" approach recommended by the Global Reporting Initiative. This recognises that the impacts of an organisation's activities extend beyond its own operations and financial performance, and that sustainability issues can have both external and internal materiality. Materiality is determined based on the assessed potential impact (for each of the two temperature pathways) on both:

- **Group financial performance** – categorised as either High (>10%), Medium (>5% <=10%) or Low (<=5%) impact on consolidated Adjusted EBITDA.
- **Relevance to stakeholders** – the risk classification is raised where management judgement determines a matter as having become sufficiently important to stakeholders.

Whilst the Group has assessed each risk in relation to the above defined impact, the Group considers a risk to be material if it has either a high impact on Adjusted EBITDA or is judged to have a sufficiently important impact to our stakeholders. This definition of material differs from that used within our financial reporting as we have deemed a material financial impact to the business, in this scenario, to be aligned to our risk management criteria and thus would be deemed a principal risk if it met this threshold.

The environment continued

Disclosure (b) – impact of climate-related risks and opportunities

The Group's assessment of the impact of climate-related risks and opportunities is based on the TCFD's all-sector guidance. During the current financial year, there has been no material change to this assessment.

Area	Impact of the Group's assessment of climate-related risks and opportunities
Revenue and costs	• No material impact on revenue and costs associated with business operations. • In the long term, in a transition scenario, there is a scenario in which changes in consumer preferences might cause a reduction in demand for the Group's product offering. The Group's development of digital gifting solutions following the acquisition of Experiences, represent potential mitigation in this regard.
Products and services	• The Group's climate transition plan includes a work-stream for reducing energy consumption within the Group's in-house manufacturing and fulfilment operations, and for decarbonising the sourcing of gifts and cards.
Value chain	• The Group's climate transition plan includes obtaining commitments from suppliers and delivery service providers to reduce Scope 3 emissions.
Research and development	• Management does not consider climate-risk when prioritising research and development on grounds of materiality. • The Group is working to develop solutions for digital gifting, leveraging the capabilities of the Experiences segment. Whilst the reason for investing in this area is to capture customer demand, an ancillary benefit of the development work will be the lower carbon emissions associated with digital delivery of a gift.
Capital allocation	• No current or anticipated implications for access to either debt or equity capital. • No material impact on planned capital expenditure. As part of its existing programme of tangible capital expenditure, management will consider opportunities for reductions in Scope 2 emissions, for instance through installation of solar panels. • No material impact on the Group's approach to M&A. The acquisition of Experiences in FY23 brought capability in digital gifting (which reduces the Scope 3 emissions associated with physical delivery to a gift recipient) however this did not form part of the acquisition rationale or business case.
Financial planning	• In general, climate risk is not procedurally embedded into processes for strategic and financial planning on grounds of materiality but is addressed through discussion at Board meetings. • In April 2023 the Board approved a climate transition plan which is aimed at reducing GHG emissions to address the long term, assessed medium impact market and technology risks in a Paris Agreement Aligned (below 1.5°C) scenario, which envisage potential reputation impact from failure to decarbonise the Group's products and/or value chain.
Financial statements	• The Group has considered the impact of climate change in preparing the financial statements in the Notes to the consolidated financial statements on page 136 of the FY24 Annual Report and Accounts. The nature of the Group's business model and the low assessed materiality of climate-related risks meant that there were no significant judgements and estimates relating to climate change in FY24. • The Board considered the carrying amount of freehold land and buildings in Guernsey, which is the Group's site most exposed to physical risk. It was concluded that no impairment of accelerated depreciation is required. This was not deemed to involve the exercise of significant judgement given the low probability of impact. • As the Group's Scope 3 emissions make up 99.3% of its carbon footprint, the focus is on ensuring that its supply chain is committed to setting emissions targets in-line with SBTi approved criteria and therefore not requiring material capital spend to be deployed to target Scope 1 and 2 emissions reductions.

Disclosure (c) – resilience under different climate scenarios

The Group analyses risks and opportunities using two climate scenarios:

- **Scenario 1** – "Paris Agreement Aligned": Under this transition scenario, there is sustained and coordinated collective action, with emissions reductions meeting the required levels to keep global average temperature increases to below 1.5°C by 2100. There is a lower likelihood of severe climate-change-related weather events, but potential impact from the climate change policies implemented globally to align to the 1.5°C warming pathway.
- **Scenario 2** – "Business as Usual": Under this scenario, there is inadequate action to limit emissions and modelling reflects a world where increasing concentrations of CO_2 put global average temperature increases on a trajectory towards 4°C by 2100. There is no further climate policy intervention, but increased risk of physical impacts due to the severity and frequency of climate-change-related weather events.

TCFD Pillar 2: climate strategy continued

Disclosure (c) – resilience under different climate scenarios continued

The Group has qualitatively assessed its resilience to key climate risks, as detailed on pages 11 and 12. In both the short and medium term these risks have a low impact whilst in the long term, they do not exceed a medium impact. Consequently, the Board considers that the Group's resilience to climate-related risks is high in both scenarios.

This assessment relies on our evaluation of risk R2, which pertains to carbon taxation and pricing mechanisms in a Paris Agreement Aligned scenario. By applying the latest carbon price projections from the International Energy Agency's World Energy Model, we have estimated the financial impact of Scope 3 emissions to be approximately £30m per year by 2050, which initially indicates a "High" risk rating. However, we believe it is improbable that governments would in practice enforce such substantial carbon taxes on a relatively non-energy-intensive sector, considering the devastating consequences that this would have for the wider economy. Therefore, we have exercised discretion to classify the risk as "Medium" for the long term.

The Group is not yet able to perform comprehensive, quantitative scenario analysis and we state on page 4 that this is an area where disclosure is not yet consistent with the TCFD framework. This reflects transitional challenges in embedding the relevant capabilities, given the complexity inherent in modelling such scenarios. We are committed to ensuring compliance with this requirement within the next three years.

Primary climate-related opportunities

The Group's primary climate-related opportunities are summarised below. The Group does not assess the potential revenue or profit upside from climate opportunities to be material.

Opportunity		Potential impact	Next steps
Increased usage of renewable energy; on-site solar generation	01	The cost of energy from traditional sources is expected to rise due to the transition to a lower carbon economy, causing a relative fall in costs for renewable energy. Shifting to 100% renewable energy could enable the Group to take advantage of cheaper power and lower its Scope 2 emissions.	• Solar panels are to be fitted at our Netherlands facility in FY25 under a lease agreement recently put in place with the landlord.
Decarbonisation of distribution	02	The UK and EU are committing to reduce emissions across forms of transport leading to an increase in adoption of electric vehicles. This may provide an opportunity for the Group to decarbonise its distribution channels more easily.	• We have set a goal to obtain commitments from suppliers to set net zero targets covering 67% of Scope 3 emissions by April 2030, and increased coverage from 9.7% to 19.3% during FY24. Our main distribution partners across the UK, NL, Ireland and Australia have SBTi commitments. • The Group intends to continue to work with its delivery partners focusing in FY25 on those that do not have publicly disclosed reduction targets.
Lower carbon product portfolio; sustainable paper packaging	03	Changes in consumer habits might provide opportunities to capitalise on a growing market for sustainable or zero-carbon gifting.	• Our card, envelopes and packaging are 98% from sustainable sources. This has reduced the likelihood of deforestation in the supply chain and associated emissions. • The Group plans to continue its existing work on the development of its digital gifting proposition, which accelerated following the acquisition of Experiences in FY23.
Increased consumer demand for recycled content	04	In the Paris Agreement Aligned scenario, greater demand for circularity is expected. There may be opportunities to take advantage of this trend by improving the prominence of labelling and recycling instructions.	• The Group plans to continue engaging with suppliers to increase the quality of labelling and recycling instruction on products and investigate opportunities to increase the level of recycled content in its products where possible. • We display FSC recycling logos on all our cards sold in the UK and the Netherlands. We are now working to implement the same for cards ordered and printed in other geographies.
Reforesting initiatives	05	By meeting its reforesting goal (see page 2), the Group can improve its reputation amongst consumers.	• The Group intends to fund the planting of a further 66 hectares of forest in FY25.

The environment continued

TCFD Pillar 2: climate strategy continued

Primary climate-related risks

TCFD category	Risk	Potential impact
Physical (acute and chronic)	R1 **Operational sites and distribution exposure to physical risks**	An increase in the frequency and severity of extreme weather conditions could result in damage and/or interruption to manufacturing and distribution facilities. Third-party analysis suggests coastal inundation is likely the most significant hazard in both scenarios. The highest levels of exposure relate to the Group's Guernsey operations. Levels of impact for the Group's Dutch operations are low within the time horizons considered by our assessment, owing to strong coastal defences in the Netherlands. Coastal inundation is a risk for the UK mainland; however, key in-house and outsourced facilities are either located well inland (Tamworth, Droitwich, Northampton) or in locations not expected to be at risk of inundation prior to 2050 in a Business-as-Usual scenario (Sleaford).
Policy and legal	R2 **Carbon tax and pricing mechanisms in a Paris Agreement Aligned scenario**	Carbon taxation is assumed to be the primary lever by which governments around the globe will incentivise decarbonisation. Increases to carbon tariffs could lead to additional operational costs, through direct carbon costs on Scope 1 and 2 emissions or indirectly through increased input costs from suppliers (Scope 3). Quantification of potential future liabilities for Scope 1 and 2 emissions show the financial impact to the Group is not expected to be significant out to 2050 even if the Group fails to meet decarbonisation goals (less than £2m Adjusted EBITDA impact in a Business-as-Usual scenario). Applying carbon price projections from the International Energy Agency's World Energy Model, we have calculated the financial impact of Scope 3 emissions to be approximately £30m per year by 2050, which initially indicates a "High" risk rating. However, we believe it is unlikely that governments could in practice impose such significant carbon taxes on a comparatively non-energy-intensive sector, as the repercussions of such a policy for the broader economy could be devastating. As a result, we have exercised discretion and classified the long-term risk as "Medium" in this case.
Market	R3 **Potential future consumer preference changes in a Paris Agreement Aligned scenario**	Shifts in consumption habits are expected to be a prerequisite for the transition to a lower-carbon economy and limiting global warming to 1.5°C. In the Paris Agreement Aligned scenario, there is a possibility that consumer preferences might change in future in ways that could reduce demand for the Group's product offering. Given that pulpwood is a small proportion of the Group's value chain, this would require continued high carbon emissions in other services consumed by the Group, for instance postal services. Should transition not be achieved in the relevant industry sectors, then there may be an impact over the long term.
Technology	R4 **Future failure of suppliers to decarbonise in a Paris Agreement Aligned scenario**	A future failure of the Group's suppliers to decarbonise at sufficient speed and scale could impact the Group's reputation with consumers leading to a fall in demand in the long term. Decarbonising the Group's product offering in a 1.5°C scenario will be dependent on efforts by third-party suppliers.

Note: the Group applies the "double materiality" approach recommended by the Global Reporting Initiative, in the first instance, RAG ratings are based on financial impact, with each risk classified as either High (>10% impact on Group Adjusted EBITDA), Medium (>5% <=10% impact on Group Adjusted EBITDA) or Low (<=5% impact on Group Adjusted EBITDA) within each time horizon. The risk classification is raised where a matter is assessed as having become sufficiently important to stakeholders.

Potential mitigation	Impact assessment	Short term	Medium term	Long term
• The Group has significant flexibility in its production network, which would enable it to mitigate business interruptions by shifting production to unaffected sites. The Group temporarily rerouted Guernsey volumes to different sites during periods of 2020 and 2021 when lockdown restrictions imposed by the States of Guernsey significantly limited production capacity at the site. • The Group will consider coastal flood risk when considering future changes to the Group's operational network, making site-specific assessments at the appropriate time.	1.5°C	Low	Low	Low
	4.0°C	Low	Low	Low
• Successful implementation of the Group's Scope 1 and 2 emissions reduction goals would mitigate any increase in direct carbon costs. • The Group's climate transition plan (pages 20 to 22) sets out the areas of focus which management intends to pursue to reduce Scope 3 emissions.	1.5°C	Low	Low	Medium
	4.0°C	N/a	N/a	N/a
• Delivery of the Group's climate transition plan (pages 20 to 22), and hence its decarbonisation targets, will drive a reduction in the emissions intensity of its product offering. • The Group will continue its existing work on the development of its digital gifting proposition, leveraging the launch of e-cards with digital gift experiences during FY24.	1.5°C	Low	Low	Medium
	4.0°C	N/a	N/a	N/a
• The Group has set a goal to obtain commitments from suppliers to set net zero emissions reduction targets aligned with SBTi criteria representing 67% of Scope 3 emissions by 30 April 2030. • The Group engages proactively with suppliers and as at 30 April 2024 had obtained commitments from suppliers covering 19.3% of Scope 3 emissions (April 2023: 9.7%).	1.5°C	Low	Low	Medium
	4.0°C	N/a	N/a	N/a

The environment continued

TCFD Pillar 3: climate risk management

Disclosure (a) – processes for identifying and assessing climate-related risks

In FY22, we established a working group to conduct the Group's first climate risk management assessment. With support from a third-party specialist and with executive-level sponsorship we identified the Group's material climate-related risks and opportunities as follows:

- For physical risks and for transition risks related to price analysis and regulatory changes, the Group performed a quantitative assessment of individual key risks under two scenarios, with support from external advisers.
- For physical risks, the Group considered acute physical risks (coastal inundation, extreme wind, extreme heat, riverine and surface water flooding and forest fires) across its UK and Netherlands operations. The Group also performed site-specific analysis on its Guernsey manufacturing site.
- Potential physical impacts were assessed through two metrics, site damage (the potential impact of hazards on site infrastructure) and business interruption (the potential revenue loss associated with hazards).
- For transition risks related to price analysis and regulatory change, these were analysed using climate scenario modelling to assess the potential financial impact in both the Paris Agreement Aligned and the Business-as-Usual scenarios.
- For transition risks related to the path to decarbonisation, and for climate opportunities, we have performed a qualitative assessment of risk and impact, using available internal data and external literature.

Thereafter, a climate risk register has been maintained on an ongoing basis with oversight from the CFO. Twice each year, the primary climate-related risks and opportunities are considered and approved by the Board on recommendation from the Audit Committee. This process follows the Group's risk management process, which is set out at pages 60 to 61 of the FY24 Annual Report and Accounts.

The Group's assessment of its material climate-related risks and opportunities is summarised at pages 10 to 12. There have been no changes made in FY24.

Disclosure (b) – processes for managing climate-related risks

The Group's processes for managing climate-related risks are as follows:

- **Managing risks:** The climate risk register is the primary mechanism for the management of climate-related risks. Mitigation of identified risks is considered first by executive management and then presented for discussion with the Audit Committee and Board, in accordance with the Group's overall risk management process.
- **Mitigate, transfer, accept or control risks:** Most of the identified climate-related risks have been assessed as low materiality for all timeframes and scenarios, and the Group's approach has been to accept these risks. However, there are two long-term, assessed medium impact market and technology risks (labelled R3 and R4 on page 11) in a Paris Agreement Aligned (below 1.5°C) scenario, which envisage potential reputation impact from failure to decarbonise the Group's products and/or value chain. The Group's mechanism for mitigation of these risks is through the climate transition plan set out on page 20.
- **Prioritisation of risks and materiality determination:** The organisation prioritises climate-related risks based on the materiality of impact and likelihood of occurrence. Materiality determination is performed on a "double materiality" basis as set out on page 8, considering the potential impact on its financial performance and reputation, as well as the expectations of stakeholders.
- **Assessment of climate-related issues:** Assessment of climate-related issues is performed by a management Sustainability Working Group that meets across the year and comprises the CFO and the Chief Operations Officer together with individuals in finance and sustainability roles. No new climate-related issues arose during the year.

Disclosure (c) – climate risk integration into overall risk management

The Group's climate risk management procedures are integrated into its overall risk management framework, as set out at page 60 of the FY24 Annual Report and Accounts. The Group's climate risk register was approved by the Board on three occasions during the year.

There are differences in approach for the assessment of climate-related risks, compared to the assessment of principal risks and uncertainties. Principal risks and uncertainties are assessed based on the materiality of their potential financial impact, with a focus on a three-year horizon, whereas climate-related risks are assessed based on "double materiality" over an extended time horizon.

None of the Group's climate-related risks are currently classified as principal risks as none have been assessed as having a material impact on the Group's business model, strategy or the Directors' assessment of viability (as set out in the viability statement on page 67 of the FY24 Annual Report and Accounts).

TCFD Pillar 4: climate metrics and targets

Disclosure (a) – climate-related metrics

The following table sets out the metrics used by the Group to assess climate-related risks and opportunities. These are drawn from the seven cross-industry metric categories identified by TCFD, together with five metrics which are specific to the Group's climate transition plan. An internal carbon price is not disclosed, as the Group has not defined and does not currently use internal carbon prices.

Metric category	Metric	Risk or Opportunity	Unit of measure	FY24	FY23[2]
Cross-industry metrics:					
Absolute GHG emissions	Absolute Scope 1 emissions	R2 R3	tCO_2e	31	35[6]
Absolute GHG emissions	Absolute Scope 2 emissions[1]	R2 R3 O1	tCO_2e	504	505
Absolute GHG emissions	Absolute Scope 3 emissions	R2 R3 R4	tCO_2e	80,868	87,486
Transition risks	Proportion of fixed assets exposed to transition risks	N/a	%	–	–
Physical risks	Proportion of fixed assets exposed to physical risks	R1	%	19	27
Climate-related opportunities	Revenue from products or services that support transition to a lower-carbon economy	O3 O4 O5	%	–	–
Capital deployment	Percentage of annual revenue invested in R&D of low-carbon products/services	O3 O4	%	–	–
Internal carbon prices	Internal carbon price	R2	N/a[3]	N/a[3]	N/a[3]
Remuneration	Proportion of executive management remuneration linked to climate considerations	O1 O2 O3	%	10.0	6.7

Metric category	Metric	Risk or Opportunity	Unit of measure	FY24	FY23[2]
Company-specific metrics:					
Sustainably sourced cards and gifts	Proportion of Scope 3 emissions from suppliers with an emissions reduction commitment aligned with SBTi criteria	R4	%	19.3	9.7
Sustainably sourced cards and gifts	Scope 3 economic emissions intensity (tCO_2e/£1m of revenue[4])	R3 R4	tCO_2e/£1m of revenue[4]	237.0	268.0
Low carbon delivery	Distribution emission per 1,000 orders	O2	tCO_2e/order	0.136	0.115
Low carbon manufacturing and fulfilment	Proportion of energy consumption from renewable sources	O1	%	65	59
More accurate emissions measurement	Proportion of Scope 3 emissions measured using primary data[5]	O2	%	46	41

1 Absolute Scope 2 emissions calculated using the "market-based" method were 110tCO_2e in FY24, a 4.0% decrease year-on-year compared to 114 tCO_2e in FY23.

2 FY23 data is stated pro forma, inclusive of Experiences data for the full financial year.

3 The Group has not defined and does not currently use internal carbon prices.

4 The emissions target has been re-expressed since FY23 as the Group has made the decision to align reporting with the Corporate Sustainability Reporting Directive and therefore has presented its intensity targets as a product of revenue rather than gross profit.

5 Primary data is data provided by suppliers or others that directly relate to specific activities within the value chain.

6 The FY23 Scope 1 emissions have been increased by 9tCO_2e compared to the FY23 ARA to correctly reflect the measurement of gas consumption in kWh.

The environment continued

TCFD Pillar 4: climate metrics and targets continued

Disclosure (b) – greenhouse gas emissions

The greenhouse gas reporting period is aligned to the financial reporting year. The Group reports emissions with reference to the latest Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (“GHG Protocol”) and Corporate Value Chain (Scope 3) Accounting and Reporting Standard (“Scope 3 Standard”). The 2022 (for FY23) and 2023 (for FY24) UK Government GHG Conversion Factors for Company Reporting are used to convert energy use in operations to emissions of tCO_2e.

The tables below set out the Group’s mandatory reporting on greenhouse gas emissions and global energy use pursuant to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, as amended by the Companies Act 2006 (Strategic Report and Directors’ Report) Regulations 2013 and under the Companies (Directors’ Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, which implement the Government’s policy on Streamlined Energy and Carbon Reporting (“SECR”).

	FY24				FY23[1,6]			
GHG emissions (tCO_2e)	UK[2]	NL	Rest of world	Total	UK[2]	NL	Rest of world	Total
Scope 1: Emissions from combustion of gas	10	21	–	31	10	25	–	35[5]
Scope 2: Emissions from purchased electricity	236	268	–	504	220	285	–	505
Total operational emissions (tCO_2e)	246	289	–	535	230	310	–	540
Scope 1 and 2 Intensity ratio: tCO_2e/£1m of revenue[4]	0.87	5.64	–	1.57	0.87	5.59	–	1.65
Scope 3: Emissions from indirect sources								
Category 1: Purchased goods and services	60,969	10,052	329	71,350	58,698	13,835	119	72,651
Category 2: Capital goods	430	78	–	508	3,523	2,758	–	6,281
Category 3: Fuel and energy related activities	63	14	–	77	63	16	–	79
Category 4: Upstream transportation and distribution	483	99	5	587	243	26	1	270
Category 5: Waste generated in operations	10	3	–	13	8	9	–	17
Category 6: Business travel	105	28	–	133	66	16	–	82
Category 7: Employee commuting	370	71	–	441	1,095	236	–	1,331
Category 8: Upstream leased assets	–	–	–	–	57	–	–	57
Category 9: Downstream transportation and distribution[6]	3,285	1,167	262	4,714	2,634	1,168	253	4,055
Category 10: Processing of sold products[3]	N/a	N/a	N/a	N/a	N/a	N/a	N/a	N/a
Category 11: Use of sold products	22	1	–	23	11	1	–	12
Category 12: End of life treatment of sold products	2,017	931	19	2,967	1,591	1,017	5	2,613
Category 13: Downstream leased assets	55	–	–	55	37	–	–	37
Category 14: Franchises[3]	N/a	N/a	N/a	N/a	N/a	N/a	N/a	N/a
Category 15: Investments[3]	N/a	N/a	N/a	N/a	N/a	N/a	N/a	N/a
Scope 3: Emissions from indirect sources	67,809	12,444	615	80,868	68,026	19,082	378	87,486
Total emissions (tCO_2e)	68,055	12,733	615	81,403	68,256	19,392	378	88,026
Scope 3 Intensity ratio: tCO_2e/£1m of revenue[4]	241.1	242.8	70.7	237.0	257.2	344.3	58.4	268.0

1 FY23 emissions are stated pro forma, inclusive of Experiences data for the full financial year.

2 The UK data also includes emissions produced within the factory located in Guernsey.

3 Categories 10, 14 and 15 are not applicable for the Group, as explained within our Sustainability Report, accessed at www.moonpig.group/investors.

4 The emissions target has been re-expressed since FY23 as the Group has decided to align its intensity reporting metric with the Corporate Sustainability Reporting Directive and therefore is presented its intensity targets as a product of revenue rather than gross profit.

5 The FY23 Scope 1 emissions have been increased by $9tCO_2e$ compared to the FY23 ARA to correctly reflect the measurement of gas consumption in kWh.

6 FY23 restated to include Ireland within rest of world to align with segmental reporting in the consolidated financial statements.

Energy consumption in with line SECR

Energy consumption (kWh)	FY24				FY23[1]			
	UK[2]	NL	Total	% Renewable	UK[2,3]	NL	Total	% Renewable
Gas	53,915	125,278	179,193	0%	54,726	140,936	195,662	0%
Electricity (purchased)	1,139,544	725,757	1,865,301	65%	1,135,881	772,044	1,907,925	59%
Total energy consumption	1,193,459	851,035	2,044,494	65%	1,190,607	912,980	2,103,587	59%
Mileage claims (miles)	96,169	7,739	103,908		33,359	8,426	41,785	

1 FY23 data is stated pro forma, inclusive of Experiences data for the full financial year.

2 The UK data also includes energy used within the factory located in Guernsey.

3 The FY23 gas consumption has been increased by 54,726 kWh since that presented in the FY23 ARA to correctly reflect the measurement of gas consumption in kWh.

Baseline years and reporting boundary

The baseline year for Scope 1 and 2 is FY20, as re-expressed to take into account the subsequent acquisition of Experiences. For Scope 3 emissions, the baseline year is FY22, which was selected because it is the first year for which the Group had the necessary understanding and data for each respective emissions category.

To ensure accurate progress tracking toward our targets, we may adjust the baseline year due to significant changes, such as acquisitions or divestments, methodology or activity changes, or data errors. Restatement will only occur if the recalculated emissions differ by more than 10% from the previously reported baseline year emissions. The Group will review and, if needed, recalculate and validate our baseline and targets at least once every five years.

Our organisational emissions reporting boundary, as defined by the GHG Protocol, includes Moonpig Group and its subsidiaries, taking an operational control approach. This method allows us to "manage what we measure". As at 30 April 2024, Moonpig Group consisted of eight controlled entities. Additional information on our subsidiary undertakings and controlled entities can be found in Note 25 to the consolidated financial statements on page 169 of the FY24 Annual Report and Accounts.

Our operational boundary covers Scope 1, Scope 2 and all fifteen Scope 3 reporting categories set out in the Corporate Value Chain (Scope 3) Accounting and Reporting Standard for which there are relevant activities in our value chain.

The environment continued

TCFD Pillar 4: climate metrics and targets continued

Disclosure (b) – greenhouse gas emissions continued

Category	Methodology, data sources and quality, uncertainties, exclusions
Scope 1	
Direct emissions from owned or controlled sources	We calculate natural gas consumption for our UK and Netherlands sites using data collected from supplier invoices and the Group's environmental management system. For transport, there were no vehicles under the Group's operational control and therefore no direct emissions related to transportation.
Scope 2	
Indirect emissions from the generation of purchased electricity, steam, heating and cooling	We calculate carbon emission factors for purchased electricity according to the "location-based" method, which reflects the average emissions intensity of grids on which energy consumption occurs. Data sources include billing, invoices and the Group's internal environmental management system.
Scope 3	
Category 1: Purchased goods and services	We use the "supplier specific" and "'average-data" methods to calculate Category 1 emissions. We gather primary weight data for purchased goods, secondary financial data for services, emission factors and allocate emission data captured directly from suppliers where possible. By spend, 80% of gift suppliers and 100% of packaging suppliers have provided the Group with primary or secondary data. Where weight data is not available, we estimate emissions using other SKUs from the same product category or use an average weight estimate calculated using similar products. For complex products, we use the primary component material of the SKU to calculate emissions. Where suppliers don't provide emission factors, we obtain them from sources such as *Sphera GaBi LCA, WRAP Emissions Factor Database for Scope 3 GHG Measurement & Reporting Database, and UK Government GHG Conversion Factors for Company Reporting.* For gift experiences, we calculate emissions per experience using internal data. For packaging we track the tonnage of materials used. We also track expenditure on office and IT equipment and average cloud data storage used. We use the "spend-based" method to capture service supplier emissions across the Group. We have allocated a portion of Scope 3 emissions from our UK division to the "Rest of World" division, which includes our international operations in Australia, Ireland, and the USA. This adjustment is based on the distribution of gifting revenue among these regions.
Category 2: Capital goods	This category relates to the use of IT equipment, plant and machinery, and fixtures and fittings. Emissions are calculated using the same approach listed on Category 1 based on spend data per asset category obtained from the fixed asset register.
Category 3: Fuel and energy related activities	This category includes emissions relating to the production of fuels and energy purchased and consumed that are not included in Scope 1 or Scope 2. Total emissions are determined using the "average-data" method outlined GHG Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard. Industry average Scope 3 emissions factors for each fuel type or natural gas/electricity source are applied to the relevant consumption volumes captured using emissions management software.
Category 4: Upstream transportation and distribution	This category includes emissions from upstream transportation and distribution between our suppliers. By spend, we have captured emissions for the top 80% of gift suppliers and 100% of packaging suppliers. We use the distance-based method to calculate total emissions in this category. This method calculates emissions by multiplying internal data on the distance transported, the weight of goods transported and relevant emission factors (average fuel consumption, average utilisation, average vehicle size and associated GHG emissions). We calculate the weight of products and packaging delivered using a weighted average, assuming delivery from a single location per supplier. We have allocated a portion of Scope 3 emissions from our UK division to the "Rest of World" division, which includes our international operations in Australia, Ireland, and the USA. This adjustment is based on the distribution of gifting revenue among these regions.

Category	Methodology, data sources and quality, uncertainties, exclusions
Category 5: Waste generated in operations	Emissions include waste treatment in facilities owned or operated by third parties only. This is categorised as an upstream Scope 3 category as waste management services are purchased by the Group and includes all future emissions that result from waste generated in the year. To calculate emissions, we use the "average-data" method by capturing total waste and disposal methods in our sustainability reporting tool, applying average emission factors for each disposal method.
Category 6: Business travel	We apply the distance-based method to calculate flight, rail and car emissions, using data from our internal finance systems and expense claims together with industry average emissions factors from the UK Government GHG Conversion Factors for Company Reporting based on the distance travelled. Likewise, for accommodation we have obtained internal data and applied an industry average emission factor.
Category 7: Employee commuting	We estimate emissions from employee commuting using the National Transport and Mobility Statistics for the UK and Netherlands, based on the average number of employees and average commuter distances. We also calculate homeworking emissions considering office equipment and heating per FTE working hour using emissions factors from the UK Government GHG Conversion Factors for Company Reporting.
Category 8: Upstream leased assets	Category 8 emissions relate to licensed co-working office space. Data is obtained from the lessor.
Category 9: Downstream transportation and distribution	To collect Group emissions data, we reach out to suppliers where possible. Many of our supply chain partners provide average emission factors per letter and parcel. In cases where we are unable to obtain primary data, we use emission factors from similar transport and fulfilment suppliers as a proxy. For air freight from our Guernsey factory to the Royal Mail depot on the mainland, we use the "distancebased" method to calculate emissions. This method involves multiplying the appropriate emission factor to the mass of the freight and a distance multiplier. While Royal Mail includes the Guernsey-to-mainland UK flight in their overall average emissions per letter, this is an average for all letters delivered (not just for Moonpig). We include this as part of our baseline calculation (given it is a significant element of our downstream transport), whilst acknowledging the possibility of some double counting.
Category 10: Processing of sold products	Not applicable. The Group does not sell products that require further processing.
Category 11: Use of sold products	To calculate emissions from our products we use a methodology that multiplies the lifetime number of uses of each product by the quantity sold and an emission factor per use obtained from *UK Government GHG Conversion Factors for Company Reporting*. To estimate the lifetime number of uses and energy usage per hour for each product category, we follow the "average-data" method. We use average specifications for each product category to estimate energy usage per hour, and secondary data for electricity consumed per use to estimate energy usage for electronics. For alcohol usage, we use calculations based on wine, and we exclude indirect emissions from beauty products as they are deemed immaterial.
Category 12: End of life treatment of sold products	To calculate emissions arising from the disposal of cards, gifts, and packaging we use using the "wastetype-specific" method. We obtain weight data for specific product categories from suppliers and internal systems. Average emission factors from the *UK Government GHG Conversion Factors for Company Reporting and WRAP Emissions Factor Database for Scope 3 GFG Measurement and Reporting Database* are used to determine the emissions associated with the proportion of waste treated using various methods. When weight data is unavailable, we estimate this using data from other products within the same category. We have allocated a portion of Scope 3 emissions from our UK division to the "Rest of World" division, which includes our international operations in Australia, Ireland, and the USA. This adjustment is based on the distribution of gifting revenue among these regions.
Category 13: Downstream leased assets	This includes Scope 1 and 2 emissions of the sub-tenant that occupies space on the Group's head office building. Primary data is obtained from the lessee.
Category 14: Franchises	Not applicable. The Group does not operate as a franchiser.
Category 15: Investments	The Group only operates a defined contribution pension scheme for its employees. As such, and in accordance with the relevant regulations, we believe it is not appropriate to include this category within our disclosure as the Group does not directly manage of control the investment decisions within the pension plan.

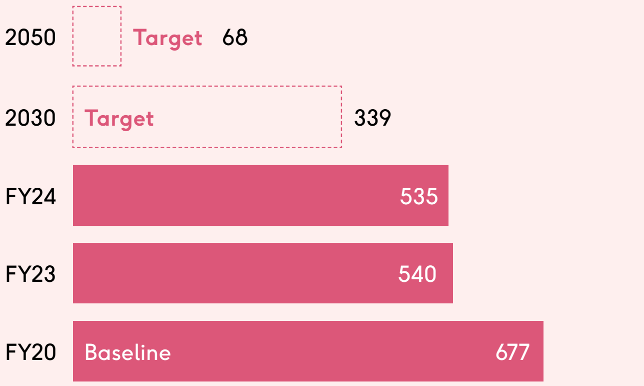
The environment continued

TCFD Pillar 4: climate metrics and targets continued

Disclosure (c) – climate-related targets

The targets used by the Group to manage climate-related risks and opportunities are summarised below, together with performance against these targets. These targets align to the Group's Sustainability Goals 1 and 2, set out on page 2.

Absolute Scope 1 and 2 emissions (tCO_2e)



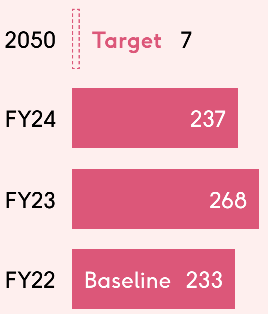
We have set a goal to reduce absolute Scope 1 and 2 emissions by at least 50% by 2030 and achieve at least a 90% reduction by 2050, using FY20 as the baseline year.

The Scope 1 and 2 baseline validated by the SBTi was for Moonpig and Greetz in FY20, which has been re-expressed for the acquisition of Experiences (see page 3).

We reduced absolute Scope 1 emissions by 11.4% from $35tCO_2e$ in FY23 to $31tCO_2e$ in FY24, maintaining a low level consistent with earlier years. This reflects a reduction in the use of natural gas to a minimum possible level which will be maintained in future years.

Absolute Scope 2 emissions reduced by 0.2% from $505tCO_2e$ in FY23 to $504tCO_2e$ in FY24, as measured on a location-based methodology which are influenced by emission factors which have increased year-on-year. Normalising for the effect of the emissions factor increase, our Scope 2 emissions would have decreased year-on-year by 3.3% as we continue to source renewable electricity.

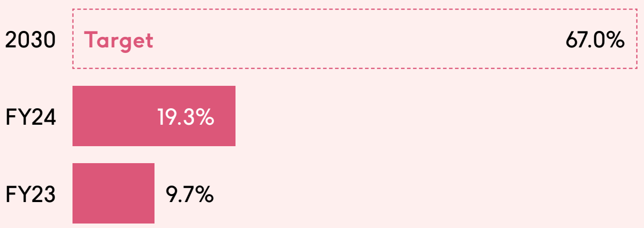
Scope 3 economic emissions intensity (tCO_2e/£1m of revenue[1])



We have set a long-term goal to reduce Scope 3 emissions intensity by 97% tCO_2e/£1m of revenue[1] by 2050, using FY22 as a baseline.

Absolute location-based Scope 3 emissions decreased by 7.6% from $87{,}486tCO_2e$ in FY23 to $80{,}868tCO_2e$ in FY24. This was primarily due to lower capital expenditure on physical assets in FY24, whereas FY23 included the furnishing of our operational facilities in Tamworth (UK) and Almere (Netherlands).

Proportion of Scope 3 emissions from suppliers with an emissions reduction commitment aligned with SBTi criteria (%)



We have set a goal to obtain commitments to set SBTi aligned net zero emissions reduction targets from suppliers representing 67% of Scope 3 emissions by 30 April 2030.

As at 30 April 2024, the Group had identified suppliers with SBTi-aligned net zero commitments in place covering 19.3% (FY23: 9.7%) of its Scope 3 emissions.

1 The emissions target has been re-expressed since FY23 as the Group decided to align its intensity reporting metric with the Corporate Sustainability Reporting Directive and therefore is presented its intensity targets as a product of revenue rather than gross profit.

Disclosure (c) – climate-related targets

Climate transition plan

The Group is committed to achieving its climate-related targets set out above. As part of this commitment, the Board approved our climate transition plan in April 2023. It is intended to address the long-term, assessed Medium impact market and technology risks (labelled R2, R3 and R4 on pages 11 to 12) in a Paris Agreement Aligned (below 1.5°C) scenario, which envisage potential financial impact from carbon tax and pricing mechanisms as well as potential reputation impact from failure to decarbonise the Group's products and/or value chain. It focuses on four pathways: sustainably sourced cards and gifts, low carbon delivery, low carbon manufacturing and fulfilment, and more accurate emissions data measurement.

Pathway	Objectives	Areas of focus	FY24 Progress
Sustainably sourced cards and gifts	Cards and gifts represent the greatest proportion of our Scope 3 emissions and so reducing the emissions footprint of our purchased goods is the highest priority in our transition plan. We aim to evolve a lower carbon product portfolio, continue to source sustainable paper and packaging and motivate our suppliers to set and deliver specific emission reduction goals. We will initially focus on three product categories: flowers and plants, (24% of our Scope 3 emissions in our FY22 baseline year), food and drink (12% of our Scope 3 emissions in our FY22 baseline year) and card, paper, and packaging (6% of our Scope 3 emissions in our FY22 baseline year).	• **Sustainable floristry:** we plan to work with flower and plant suppliers, which have sustainability roadmaps already in place. We intend to develop specific emission reduction plans, and support initiatives to deliver these goals including water usage reduction, waste reduction, and single-use plastic reduction. • **Sustainable food gifts:** we plan to increase the proportion of food gifts (comprising food, drink, alcohol and chocolate categories) sold with carbon reduction plans in place focusing on risk areas including being deforestation-free and containing only sustainable palm oil, cocoa and wood products. We aim to source products with verified certifications. • **Sustainable card, paper and packaging:** we intend to continue to sustainably source card, paper, and cardboard packaging certified as FSC, PEFC or >80% recycled content. Reduce single-use plastic packaging and increase recycled content across our packaging range. We plan to reduce packaging void space to reduce transport emissions.	Alongside our UK flowers supplier we have enhanced our bouquet packaging by increasing the number of ranges wrapped in paper, reducing our plastic consumption. Additionally we have introduced a closed-loop waste system for certain wraps, effectively minimising waste generated during the harvesting of stems. Green offcuts are redirected to a paper mill where they are converted into packaging materials, thereby decreasing the need for wood-based cellulose, We have focused on encouraging customers to adopt innovative digital card personalisation features (such as emojis, "sticker" images and photos). These features negate the need for options such as glitter, plastic and foil within our cards which are non-recyclable. During the year, our Dutch flowers supplier and one of our key UK confectionary suppliers each made SBTi-aligned commitments to set net zero emissions reduction targets.

The environment continued

TCFD Pillar 4: climate metrics and targets continued

Disclosure (c) – climate-related targets continued

Pathway	Objectives	Areas of focus	FY24 Progress
Low carbon delivery	Upstream and downstream transport and distribution together account for 6,216tCO_2e and 8% of our Scope 3 footprint in our FY22 baseline year. The ability to order late and for the recipient to receive their gift the next day is a key part of our offering. To mitigate the risk that delivery partners fail to decarbonise through their own ambition, we are committed to engaging with those partners on decarbonising their distribution networks, to reducing the number of delivery miles required, and increase the carbon efficiency of those miles. We will also expand our digital gifting offering to reduce the need for physical transportation.	• **Digital gifting:** we plan to expand our gifting offering to increase the proportion of electronically fulfilled products to reduce the need for physical product deliveries. • **Reduce the number of shipments:** we aim to minimise void space in our packaging and combine orders into single packages to reduce the number of shipments required. • **Reduce transport miles:** we intend to continue to locate our operations close to distribution hubs to reduce the distance travelled by our deliveries. • **Work with our partners:** we plan to collaborate with our delivery and third-party logistics partners on reducing emissions from distribution by focusing on low carbon distribution, low carbon last mile delivery, and low carbon distribution centre operations.	At Moonpig, we have expanded our digital gifting offering by enabling the delivery of gift experiences both as an attachment to an e-card and as a code within a physical greeting card. In the Netherlands, we implemented new processes to consolidate multiple gifting items into single-delivery packaging, reducing the number of shipments where possible. Our main distribution supplier in the UK had its Scope 1, 2 and 3 SBTi targets approved in August 2023.
Low carbon manufacturing and fulfilment	Our Scope 1 and 2 emissions represent a small proportion of our total footprint, but they are areas within our direct control. We aim to further reduce our emissions in these areas, both through absolute reductions in energy consumption and by increasing renewable energy mix of consumption.	• **Increase energy efficiency of our sites:** we plan to minimise on-site data processing in favour of more efficient cloud computing, manage energy demand between renewable and non-renewable energy sources, and use technology to reduce energy demand. • **Power our sites through renewable energy:** we intend to source renewable electricity in all locations and use on-site solar generation where possible. • **Procurement:** we aim to prioritise energy-efficiency when procuring new assets or operating locations. • **Implement low carbon transportation:** we aim to optimise transportation routes to reduce our emissions. • **Engage employees:** we plan to educate and engage employees in low-carbon practices, such as turning off equipment when not in use.	Following the acquisition of Experiences, we have migrated several systems from on-premise to the cloud, aligning with standard practice for the rest of the Group. This has reduced our data storage requirements, improving energy efficiency and lowering operational costs. During FY24 we carried out energy savings opportunity assessments, in line with ESOS Phase 3. These assessments identified potential to reduce emissions through improved energy management policies and utilisation of building management systems, creation of a lighting inventory and improvements to fenestration. These will be prioritised in FY25. We plan to install solar panels at our Almere facility in the Netherlands in FY25 under a lease agreement recently put in place with the landlord.

Pathway	Objectives	Areas of focus	FY24 Progress
More accurate emissions measurement	More accurate measurement of Scope 3 emissions will enable us to develop more effective emissions reduction strategies, and better manage climate-related risks. At present, we have a robust baseline calculated on a consistent basis with the GHG Protocol, and we have leveraged industry-specific standards and frameworks to measure emissions in our value chain. However, as best practices evolve and we support our suppliers to improve procedures, we aim to progressively increase the accuracy of our Scope 3 emissions data.	• **Primary data:** we aim to increase the proportion of Scope 3 emissions that are measured using primary data, which is provided by suppliers or others and directly relates to specific activities within the value chain. • **Data protocols:** we plan to work closely with our suppliers to establish clear and consistent data collection protocols, ensuring that we receive accurate and complete data that aligns with our requirements. • **Data verification:** we plan to establish procedures to validate and verify data to ensure its accuracy, including verifying data provided by suppliers, as well as conducting internal audits to ensure that emissions from all relevant sources are included. • **Data management systems:** we intend to continue to invest in systems that allow for efficient data collection, analysis, and reporting. This will involve using software tools and platforms to collect and analyse data from a range of sources, such as supplier surveys and customer data.	To improve the measurement of Scope 3 emissions in FY24 we have gathered primary data relating to capital goods and leased assets. In FY24, we expanded our contract with Rizikon to gather data on suppliers' carbon footprints and assess their alignment with SBTi standards. We systematically request emissions reduction and net zero targets from suppliers, as well as specific emissions data relating to goods and services provided. Since implementation, this has been rolled out to all new key suppliers and any key suppliers due for periodic review.

Our people

Our people strategy is focused on promoting high performance, engagement and inclusion. We foster an environment where people can learn, grow and develop their careers.

Developing our people

We continue to invest in employee learning and development. In FY24 we recorded 5,558 hours of structured learning (FY23: 1,715 hours) excluding mandatory compliance and systems training. This encompasses self-learning, mentoring, coaching and formal programmes. We operate a learning portal that offers a range of tools to assist employees with their career progression. We provide opportunities for independent learning, supported by an annual allowance that is funded by the Group, in addition to our central learning and development programme. We sponsor employees pursuing professional qualifications and support employees in their access to continuing professional development. In FY24, we also supported ten employees through apprenticeships, across fields including software development, data literacy, and leadership.

Engaging our people

We conduct employee engagement surveys twice each year, encouraging participation from our entire workforce. The surveys allow us to collect open and honest feedback which enabling us to improve the experience of working for the Group. Following each survey, we ensure that all employees have access to the results for their Division and functional department, to allow team members to contribute to decisions relating to the actions that follow.

The Group's average engagement score across two surveys in FY24 was 61% (FY23: 61%[1]) below our long-term goal of 72%. This reflects the continued challenges of operating in an economic downturn, characterised by more disciplined cost control and greater pressure to meet targets. Management has focused during the year on increasing employees' understanding of the Group's strategy and it was particularly pleasing that the April 2024 score for "I understand the long-term strategic direction for Moonpig Group" improved from 62% to 81%. Our action plan for FY25 employee engagement is built around raising the proportion of employees who agree with the survey statement "I feel proud to work for this company."

Supporting our people

We support employee wellbeing through initiatives that include enhanced company-paid parental (maternity, paternity, adoption or shared parental) leave for all new parents in the UK; we have fertility and baby loss policies in place; we provide discretionary sabbaticals which allow eligible employees within our Experiences business to take a 4-week sabbatical after 5 years of employment and provide both financial support and paid time off to many employees who are working towards a professional qualification.

We provide access to mental health experts who can provide a spectrum of support from struggling to self-improvement where our employees can ask a question, book a one-off therapy session or a course of therapy sessions.

Where practicable, we support different working patterns and 9.7% (FY23: 10.5%) of our total headcount is employed on a part-time basis.

Rewarding our people

Substantially all employees participate each year in a variable performance-based bonus scheme, with targets that align to those of the Executive Directors. We also offer a range of benefits which include matched employer pension contributions, life assurance, medical insurance and dental insurance. We also operate a Save-As-You-Earn ("SAYE") share scheme, subject to minimum service, offering the opportunity for UK employees to purchase company shares at a discounted price in accordance with HMRC rules. 16% (FY23: 20%) of eligible employees participate in one of the current SAYE schemes.

We pay all employees in the UK and Guernsey at or above both the legal minimum wage (National Living Wage) and the Real Living Wage as defined by the Living Wage Foundation[2]. In the Netherlands we pay at or above the legal minimum wage (Minimumloon). There is a Works Council in place at Greetz.

Ensuring the safety of our people

We are committed to creating a safe environment at both our offices and our fulfilment locations. Our principal objective is to minimise accidents, injury and illness to staff working within one of our premises or remotely. The Group's Health and Safety policy is reviewed at least annually and covers all aspects of our working environment with appropriate insurance in place for all employees. We offer a hybrid working environment for many of our staff (excluding those in fulfilment or similar roles) and offer ergonomic assessments to employees who work from home to ensure it is safe and effective.

We had no serious injuries during the year and recorded a 0.00 incident rate per 200,000 working hours (FY23: 0.00 per 200,000 working hours).

Diversity, equity and inclusion

We are dedicated to creating a working environment where everyone enjoys coming to work, feels supported and can express their individuality and perspectives without fear of discrimination. Our commitment is underpinned by an equal opportunities and equality and diversity policy, which is applicable to all employees.

Our organisation proudly supports a variety of internal networking and affinity groups. These groups focus on areas such as accessibility and inclusion, ethnic diversity, LGBTQ+, gender equality and neurodiversity.

We are focused on creating a diverse and inclusive workforce, with balanced representation at all levels of the business. This is embedded in our sustainability goals. Goal 4 focuses on increasing the representation of women and ethnic minorities on the Leadership Team and Goal 7 relates to female new hires into technical roles. See page 3.

1 Employee engagement score for FY23 is stated for Moonpig and Greetz only. For FY24 we have extended measurement to Experiences, hence figures are stated for the Group.

2 Guernsey employees are paid in line with the UK Real Living Wage as defined by the Living Wage Foundation for "rates outside London".

Gender and ethnicity data – leadership[6]

As at 30 April 2024	Male	Female	Total	% Female	Non-minority ethnic[5]	Minority ethnic[5]	Total	% Minority ethnic[5]	Non-ethnic minority male[5]	Women and ethnic minority[5]	Total[5]	% Women and ethnic minority[5]
Board[1]	4	3	7	43%	5	2	7	29%	3	4	7	57%
Executive Committee[2]	4	2	6	33%	5	1	6	17%	3	3	6	50%
Extended Leadership[3]	17	14	31	45%	27	4	31	13%	16	15	31	48%
Combined Leadership Team[4]	23	16	39	41%	33	6	39	15%	20	19	39	49%
As at 30 April 2023												
Board[1]	5	3	8	38%	6	2	8	25%	4	4	8	50%
Executive Committee[2]	5	2	7	29%	6	1	7	14%	4	3	7	43%
Extended Leadership[3]	19	14	33	42%	28	5	33	15%	15	18	33	55%
Combined Leadership Team[4]	26	16	42	38%	35	7	42	17%	20	22	42	52%

Gender representation – whole business

	As at 30 April 2024				As at 30 April 2023			
	Male	Female	Total	% Female	Male	Female	Total	% Female
Board[1]	4	3	7	43%	5	3	8	38%
Executive Committee[2]	4	2	6	33%	5	2	7	29%
Extended Leadership[3]	17	14	31	45%	19	14	33	42%
Total Group	334	354	688	51%	360	375	735	51%

1 Includes Executive Directors. All Board members have British nationality.

2 Comprises the Executive Committee excluding Executive Directors.

3 Comprises direct reports to the Executive Committee who are also members of the Extended Leadership Team.

4 Comprises the Executive Committee, Extended Leadership and the Executive Directors.

5 Ethnicity is special category data under Data Protection legislation and is therefore not collected and held for all employees. Data has been collected based on explicit consent for the purposes of monitoring racial and ethnic diversity at senior levels. In any instance where a relevant employee has not consented to the collection of data, they are counted in the denominator but not the numerator for the percentage representation KPIs.

6 Data required to be disclosed under LR 9.8.6R(10) is shown in the Nomination Committee report on page 96 of the Annual Report and Accounts 2024.

Gender pay gap

The Group's 2024 gender pay report discloses the mean and median gender pay gap for the Group's main UK trading entity, Moonpig.com Limited as required by legislation, together with voluntary disclosures for the whole of Moonpig Group. It can be accessed at www.moonpig.group/investors.

The gender pay gap is not the same thing as equal pay. Equal pay requires that men and women are paid the same amount for performing the same or similar work, which is a legal requirement. The gender pay gap, however, looks across all jobs at all levels within an organisation.

We have continued to make progress in reducing the gender pay gap. For Moonpig Group, we have improved the mean hourly gender pay gap by 6.1%pts year-on-year to 23.5% at 5 April 2024.

There has been a headline increase in the bonus rate gender pay gap, however this is driven by the vesting of the first tranche of the pre-IPO award, which is a legacy scheme and is not part of our ongoing remuneration policy. We do not consider it to be representative of the Group's trajectory or the improvements that we have made across the period since the IPO. Excluding the pre-IPO award, Moonpig Group's median bonus gender pay gap improved year-on-year by 3.2%pts to 38.4% and its mean bonus gender pay gap improved year-on-year by 3.6%pts to 48.5%.

The Group's gender pay gap is primarily due to relative under-representation of women in our technology function (which reflects the wider societal challenge of female under-representation in technical roles) together with the current gender composition of the Executive Committee.

Our long-term aim is to close the Group's gender pay gap, through systemic action to balance gender representation across our business, as set out in the sustainability Goal 4 (combined leadership representation of women and ethnic minorities) and Goal 7 (female new hires into technology roles), however the impacts of these actions will take time to be realised.

Our communities

Our community strategy focuses on charitable giving, creating opportunity in under-represented communities and on the customer and recipient experience.

Charitable giving

Through the Moonpig Group Foundation, we support initiatives that create connections and spark moments of joy in our communities. The Foundation is an account within the Charities Aid Foundation ("CAF"), a donor-advised fund and Registered Charity (Number 268369). Governance of the charity is provided by the trustees of the CAF. Giving requests for the Moonpig Group Foundation to donate to other charities are managed internally by a charity committee that is chaired by the CEO.

We have several mechanisms in place to facilitate employee engagement and involvement with our charitable partners. The Moonpig Group Foundation provides our employees with access to matched funding to increase the value of their donations. We also encourage our skilled and motivated workforce to volunteer for causes, allowing paid time off to do so.

£000	FY24	FY23	Cumulative[1]
Donations by Moonpig Group to the Foundation	304	70	
Donations by Moonpig Group to other charities	132	–	
Total donations made by Moonpig Group	436	70	
Donations by the Foundation to other charities	176	211	620

1 Cumulative since the Foundation was set up in January 2021.

Creating opportunity in under-represented communities

We are committed to increasing female representation in the technology industry, thereby expanding the pool of potential female applicants for technology roles.

We have continued our collaboration with Cajigo, a technology mentoring platform for women in STEM careers. This programme featured workshops, panels discussions and mentoring sessions on a range of topics from software engineering to cybersecurity. The activities were designed to equip participants with skills and knowledge that will enable them to excel in the technology industry.

To ensure fair and equitable recruitment for open roles at Moonpig Group, our talent acquisition team operates processes to promote diverse and inclusive candidate sourcing. For example, we utilise diversity and inclusion application surveys to gain insight into the backgrounds of applicants and ensure that we source gender-balanced candidate shortlists for open roles.

Moonpig and CALM

In FY24, Moonpig partnered with the Campaign Against Living Miserably ("CALM"), a suicide prevention charity, to launch a unique range of greeting cards designed to make reaching out to loved ones easier during difficult times.

The card collection, which was designed in collaboration with CALM, features a variety of messages, from humorous to heartfelt. It aims to encourage open conversations and reconnect friends and family, reflecting the urgent need to address the issue of suicide, which claims around 125 lives weekly in the UK. This aligns closely with Moonpig Group's purpose, which is to create better, more personal, connections between people that care about each other.

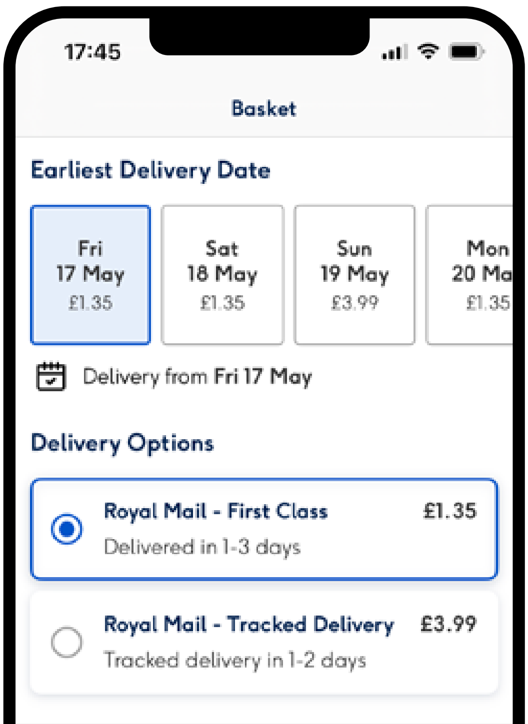
Moonpig also supported CALM's mission by donating £50,000 from the proceeds of their CALM-themed Christmas card collection.

Improving customer and recipient experience

Over the past two years, the postal operators in the UK and the Netherlands have demonstrated poor service performance. In the UK, Royal Mail consistently failed to meet the Service Level Agreement for next-day letter post deliveries, alongside implementing significant increases in stamp prices. This has negatively impacted our customer net promoter scores in FY23 and FY24.

In response, we are redesigning business processes to mitigate these impacts on our customers, by focusing on four key areas:

1. **Encouraging early ordering and dispatch.** To enhance delivery reliability, we have initiated early shipping for future orders, which has significantly reduced customer inquiries related to these orders. Leveraging our database of 90m customer occasions reminders (FY23: 84m), we now send the first reminder 14 days before each occasion, encouraging customers to place their orders well in advance.
2. **Improving how we communicate estimated delivery dates.** We have implemented "date first" user experience flows at the checkout on our website and apps to inform customers more clearly about the possibility of scheduling their orders for cards and gifts in advance.
3. **Providing more options for tracked delivery.** We have collaborated with Royal Mail to introduce a tracked delivery service at an attractive consumer price. This service, available during peak demand periods such as Christmas, Valentine's Day and Mother's Day, allows customers to send greeting cards even after the cut-off for first class letter post.
4. **Expanding our digital offering.** We have launched same-day digital gifting capability on Moonpig by combining gift experiences with ecards, leveraging the range of Red Letter Days and Buyagift.



Consultation on the USO

In January 2024, the UK regulator Ofcom launched a consultation on its document "The Future of the Universal Postal Service" which proposed potential modifications to the universal service obligation ("USO") that governs Royal Mail. In response, Moonpig Group submitted a formal response expressing significant concerns about the document's prejudicial tone and its failure to meet Ofcom's obligations to protect consumer interests in terms of choice, price, quality, and value.

Our response outlined deficiencies in Ofcom's evaluation. Firstly, we noted that Ofcom's analysis of trends in demand for postal services disregards the persistent underperformance of Royal Mail compared to its mandated service levels. Secondly, we pointed out that the analysis of Royal Mail's costs and revenue seems incomplete.

We also stressed the importance of considering the broader repercussions that any changes might have on various stakeholders. This includes the essential role of physical mail in maintaining social connections, ensuring inclusivity and bridging the "digital divide" with those who do not have ready access to the internet. An affordable, consistent, and universally available next-day service is critical for many communications such as medical appointments and is also relied upon by many small businesses.

We have urged Ofcom to fundamentally reconsider its approach. Rather than overseeing a continued decline in service quality, Ofcom should explore strategies to promote operational reforms that enable Royal Mail to fulfil its service obligations effectively.

Alcohol sales

Some investors require visibility of exposure to alcohol sales. The proportion of revenue generated from alcohol products during FY24 was 5.3% (FY23: 5.2%).

SASB Standards

The Group's FY24 disclosure against the SASB Standards maintained by the International Sustainability Standards Board of the IFRS Foundation is set out below and is aligned to the E-Commerce SASB Standard. Use of SASB Standards is voluntary and the standards specify that it is for the reporting entity to determine which disclosure topics are financially material to its business and which associated metrics to report. Where the Group does not currently provide disclosure metrics, this is indicated.

Topic	SASB Accounting or Activity Metric	SASB Code	Moonpig Group Disclosure
Hardware, Infrastructure Energy & Water Management	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	CG-EC-130a.1	(1) 2,044,494kWh (FY23: 2,103,587kWh)[1]. (2) 28% (FY23: 36%). (3) 65%* (FY23: 59%).
	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	CG-EC-130a.2	(1) 3,991 (FY23: 6,394). (2) 3,991 (FY23: 6,394).
	Discussion of the integration of environmental considerations into strategic planning for data centre needs	CG-EC-130a.3	We handle most of our data in cloud services provided by AWS and Azure, both of whom have committed to 100% renewable energy by 2025. The Group uses one internal data centre in the Netherlands, which is powered by 100% renewable electricity. We have no plans to expand the number of data centres or increase energy consumption at the existing data centre.
Data Privacy & Advertising Standards	Number of users whose information is used for secondary purposes	CG-EC-220a.1	The Group does not provide quantitative disclosure. The Group provides its customers transparency where personal data is collected within our privacy and cookies notices. Where a customer opts in, data collected is primarily used to improve our services and enable users to enjoy a personalised user experience on our own website and app. As soon as personal data is no longer required, it is either deleted or anonymised.
	Description of policies and practices relating to behavioural advertising and user privacy	CG-EC-220a.2	We are committed to protecting the privacy of our customers and the confidentiality of the data processed. A privacy notice is provided to all customers. It clearly and transparently details how and for what purpose, customer data is processed and sets out customer rights in relation to this processing. Additionally, our customers are provided access to our cookie policy and can manage and update their preferences in relation to this. The Group has a dedicated Technology Security Team and Data Protection Office who carry out privacy impact assessments.
Data Security	Description of approach to identifying and addressing data security risks	CG-EC-230a.1	The Group operates a "three lines of defence" model for the management and mitigation of risks relating to data security, including robust data security procedures and the maintenance of a detailed data security risk register. Further detail is set out in our Technology Security and Data Protection disclosure on page 29.
	(1) Number of data breaches, (2) percentage involving personally identifiable information ("PII"), (3) number of users affected	CG-EC-230a.2	The Group does not disclose this.

* 65% of total energy consumption in FY24 was renewable (FY23: 59%). Note that 72% of electricity was renewable in FY24 (FY23: 64%).

Topic	SASB Accounting or Activity Metric	SASB Code	Moonpig Group Disclosure
Employee Recruitment, Inclusion & Performance	Employee engagement as a percentage	CG-EC-330a.1	Engagement score averaged 61% across two surveys conducted in FY24 (FY23: 61%[1]).
	(1) Voluntary and (2) involuntary turnover rate for all employees	CG-EC-330a.2	Voluntary staff turnover for FY24 was 22.0% (FY23: 22.8%). Involuntary staff turnover for FY24 was 3.3% (FY23: 13.1%). These figures are stated excluding the direct workforce at our fulfilment and production centres and exclude casual and fixed-term staff and contractors.
	Percentage of gender and racial/ ethnic group representation for (1) management, (2) technical staff, and (3) all other employees	CG-EC-330a.3	Percentage of female employees in the respective roles at 30 April 2024 was: (1) 48.7% (FY23: 39.6%) (2) 33.1% (FY23: 34.0%) (3) 62.5% (FY23: 61.2%) The Group discloses ethnicity data for senior leaders on page 24. Equivalent data is not provided for all employees due to legal restrictions on the ability to gather a reliable dataset of such information.
	Percentage of technical employees who are foreign nationals[2]	CG-EC-330a.4	As at 30 April 2024, the percentage of visa holders was 4.7% of total employees (FY23: 5.9%). The Group ensures sponsorship requirements are met for all visa-holding employees.
Product Packaging & Distribution	Total GHG footprint of product shipments	CG-EC-410a.1	Scope 3 Category 9 emissions for the year were 4,714tCO_2e (FY23: 4,055tCO_2e).
	Discussion of strategies to reduce the environmental impact of product delivery	CG-EC-410a.2	The Group has GHG emission reduction goals that include a goal to obtain commitments to set net zero emissions reduction targets aligned with SBTi criteria from suppliers representing 67% of Scope 3 emissions by 30 April 2030 as well as to reduce Scope 3 emissions intensity by 97% tCO_2e/£1m of revenue by 2050, using FY22 as the baseline year[3]. During FY24, the Group commenced a programme of supplier engagement to deliver against this goal, which has included product delivery service providers.
Activity Metrics	Entity-defined measure of user activity	CG-EC-000.A	The Group's chosen disclosure is the number of orders fulfilled in the year at Moonpig and Greetz, which was 33.9m in FY24 (FY23: 33.8m).
	Data processing capacity, percentage outsourced	CG-EC-000.B	The Group does not disclose this.
	Number of shipments	CG-EC-000.C	The Group does not disclose this.

1 The FY23 gas consumption has been increased by 54,726kWh since that presented in the FY23 ARA to correctly reflect the measurement of gas consumption in kWh.

2 For FY23, this metric was measured for Moonpig and Greetz. The Group's employee engagement survey was extended to Experiences for FY24.

3 This metric has been changed to reflect the jurisdictions where Moonpig Group operates.

4 The emissions intensity target has been re-expressed since FY23 as the Group has made the decision to align its intensity reporting metric with the Corporate Sustainability Reporting Directive and therefore is presenting its intensity targets as a product of revenue rather than gross profit.

Technology security and data privacy

The Group operates a technology platform for gifting, with a strategy based upon utilising its unique data science capabilities to optimise and personalise customer experience. It processes significant volumes of data on customers' gifting intent and as such, technology and data security are key areas of risk management focus.

Risk management objectives	**Technology and information security** *The Group's risk management framework incorporates controls to protect its technology systems and the data contained therein from damage, unauthorised use and exploitation (and in addition to enable restoration where needed), with the purpose of maintaining their confidentiality, integrity and availability.*	**Protection of data privacy** *The Group's risk management framework incorporates controls to ensure that its collection and processing of personal data is compliant with UK privacy laws and with equivalent laws in territories where it has operations.*
First line of defence	The Group has in place a comprehensive set of policies covering all aspects of technology and information security. Security incident response processes are regularly reviewed and with ransomware specific technical playbooks. Multi-Factor Authentication ("MFA") is in place across the Group for admin/privileged application access and remote access to infrastructure. Network segmentation is in place, reducing the ability for an impacted instance to infect other instances. Endpoint Detection and Response ("EDR") tooling and anti-virus tooling are in place across all Group infrastructure. Strong perimeter defences (including Web Application Firewalls) are in place to protect public-facing infrastructure. Security scanning of developed code is automated and in place across the Group. The Group implements patching within 7 days for Critical or High vulnerabilities across the Group. In most cases patching occurs in under 3 days. The Group works closely with suppliers to ensure that they only receive and store the minimum data for the purposes required; security audits are performed to confirm these suppliers operate at a high standard to protect and manage data. Annual technology security training is mandatory for all employees and contractors.	Data protection policies are in place that embed each of the key principles set out in UK GDPR. Key data flows are mapped and captured in a Record of Processing Activities ("RoPA"). The Data Protection Office works closely with stakeholders to embed privacy by design. Data Protection Impact Assessments ("DPIAs") and other regulatory impact assessments are completed as appropriate for proposed new data processing activities. External and internal privacy policies are in place. The website privacy policies include clear and accessible mechanisms for data subjects to manage their data sharing preferences, raise concerns, or to request that their accounts be amended, rectified or erased. We are committed to notifying data subjects in a timely manner in case of policy changes or breach of privacy of their personal data. There are clear processes in place to manage data handling by suppliers through implementation of robust contractual arrangements. A data retention policy is in place. Annual data protection training is mandatory for all employees and contractors.
Second line of defence	The Technology Security Team performs regular security testing of the key platform and applications and reviews internal processes and capabilities. Quarterly health checks ensure that critical security tools are configured and operating appropriately. The Group subscribes to bug bounty schemes that reward friendly hackers who uncover security vulnerabilities. A technology security risk register is maintained and regularly reviewed. This feeds into the Group's overall risk register. Technology Security continues to follow industry standards, aligning to the UK's National Institute of Standards and Technology ("NIST") Cyber Security Framework and utilising threat intelligence feeds from both Government and Private Sector to ensure defensive measures are up to date and appropriate for a business of our nature and scale.	Oversight is provided by the Group Data Protection Office, which leads a cross-functional Data Protection Governance Committee to drive continuous improvement. A data protection risk register is maintained. This feeds into the Group's overall risk register. Documented procedures are in place for data protection incident management.
Third line of defence	Independent third party review of the Group's technology security was performed in FY21, with the findings of this exercise reviewed by the Board. All recommendations have been implemented in full. The same independent third party specialist was commissioned to perform due diligence on the Experiences business prior to acquisition. Internal audit performed a review of the technology security environment across the Group in FY24 and implementation of its recommendations is underway.	Following the establishment of the Group's internal audit programme, Data privacy posture at Moonpig and Greetz was reviewed by internal audit in FY22. All recommendations have been implemented in full. The data protection control environment at the Experiences segment was scrutinised and reported on as part of pre-acquisition legal due diligence. An FY24 internal audit "health check" review of key internal controls at Experiences identified no significant findings relating to data privacy.

Principal sustainability risks

In FY24, the Group incorporated the review of sustainability risks into its risk management framework, producing its first sustainability risk register, which was approved by the Board in March 2024. This followed an exercise, led by the Group's Sustainability Working Group, to identify potential risks relating to the following areas:

- **Climate change:** risks related to the potential adverse impacts on cash flows, access to finance, or cost of capital resulting from physical risks, such as extreme weather events and rising sea levels, and transition risks, such as policy changes, technological advancements, and market shifts towards a lower-carbon economy.
- **Nature:** risks involving potential adverse impacts on financial performance due to threats to biodiversity, ecosystems, and ecosystem services. Biodiversity measures the variety of organisms or biotic communities in an area, essential for ecosystem health. Ecosystems are the global stock of natural resources, including water, minerals, and organisms, that interact and function together. Ecosystem services are benefits provided by these natural systems, such as air purification, carbon sequestration, pollination, flood control, and raw material production, all of which support economic value creation.
- **Human capital:** risks related to the people making up an entity's workforce, including their competencies, capabilities, experience, and motivations to innovate. This encompasses workforce composition, stability, diversity and inclusion, training and development, health, safety and wellbeing, and compensation for employees and contractors.
- **Human rights:** risks pertaining to the fundamental rights and freedoms that belong to every person, ranging from the right to life to rights that make life worth living, such as food, education, work, health, and liberty.
- **Circular economy, materials sourcing and value chains:** risks arising from the use of raw materials across their full lifecycle and throughout its value chain, including raw material costs and supply chain resiliency.
- **Technology security and data protection:** risks related to cybersecurity, data security and customer privacy.
- **Water and marine resources:** risks associated with water and wastewater management, including the sustainability of water resources and the impact on marine ecosystems.

Management of sustainability risks is performed as part of the Group's overall risk management process. The Group's principal climate-related risks and opportunities are set out on pages 10 to 12. The Group's other principal sustainability risks are summarised on page 31.

Principal sustainability risks continued

Risk	Potential Impact	Potential Mitigation	Impact assessment: Short term	Medium term	Long term
Responsible forestry **(Nature)**	Risk that paper products are not procured from sustainable sources, which would lead to deforestation, harming biodiversity and the climate. If not diligently avoided, this could result in reputational damage, regulatory penalties, and stakeholder concerns.	The Group is committed to sustainable sourcing of our card, envelope and paper packaging for our core UK and Netherlands markets are 100% sustainably sourced, either through FSC or PEFC certification or containing more than 75% recycled content. Our sustainability Goal 3 commits to Group to reforesting at least 330 hectares of woodland by the end of calendar year 2025.	Low	Low	Low
Employee retention **(Human capital)**	The Group's delivery against its strategic objectives is dependent upon it being able to attract, recruit, motivate and retain its highly skilled workforce.	The Group has competitive reward schemes in place for all employees. For senior management, these include a blend of short- and long-term incentives. We perform ongoing succession planning and invest in leadership development. On an ongoing basis, management works to strengthen employee engagement.	Low	Low	Low
Risk of modern slavery in the Group's supply chain **(Human rights)**	There is a risk that third parties in our supply chains breach the Modern Slavery Act, causing harm to the individuals involved and reputational damage to the Company.	The Group has a thorough due diligence process in place. As part of this, suppliers receive our Code of Conduct which sets out our expectation that all suppliers adhere to appropriate human rights policies and manage their business with the right values and controls in place to mitigate modern slavery risk.	Low	Low	Low
Producer responsibility for packaging waste **(Circular economy)**	E-commerce gift fulfilment consumes significant cardboard packaging. The UK and Europe are each moving to a "producer pays" principle with annual levies under Extended Producer Responsibility schemes.	The Group moved to 100% recyclable content in its packaging in 2021 and has a programme in place to reduce overall packaging consumption, improving previous efforts of source sustainably and reduce single-use plastic. We have conducted internal assessments regarding EPR costs and impacts. These are currently considered not material; however, the matter is maintained as a Principal Risk as requirements in this area are expected to evolve.	Low	Low	Low
Technology security and data protection **(Technology security and data protection)**	As a digital platform, the business is reliant on its IT infrastructure to continue to operate. Any system downtime, because of a technology security breach, would result in an interruption to trading. A technology security breach or a failure to appropriately process and control customer data could result in reputational damage, loss of customers, loss of revenue and financial losses from litigation or regulatory action.	The Group has a disaster recovery and business continuity plan which is regularly reviewed and tested. The Group's platforms are cloud-based, hosted by leading technology firms. The Group's technology security team performs regular security testing of the key platform and applications and reviews internal processes and capabilities. The Group subscribes to bug bounty schemes that reward friendly hackers who uncover security vulnerabilities. Quarterly health checks are performed on critical security tools to ensure they are configured and operating appropriately. The Group works closely with suppliers to ensure that they only receive and store minimum data for the purposes required; security audits are performed to confirm suppliers operate at a high standard to protect and manage data. Annual GDPR training is mandatory for all employees.	Low	Medium	Medium
Responsible management of water consumption for flowers **(Circular economy)**	The cultivation of flowers requires significant water, straining local ecosystems and communities, especially in drought-prone areas. This can deplete water tables, harming agriculture and natural habitats, and risking environmental degradation, reputational damage, regulatory scrutiny, and supply chain disruptions. Ensuring water-efficient cultivation and sourcing from sustainable farms is crucial for ecological balance and long-term business resilience.	The Group recognises that water consumption is a major factor for in the sustainability of our flower and plant products. The Group works closely with its flower fulfilment partners to invest in process improvements and capital assets which reduce water consumption throughout the supply chain, both at growers, wholesalers and within their own operations. The Group has moved to sourcing dry packed products where feasible, reducing water consumption at the growers. Our UK supply chain partner is currently assessing investment in water treatment equipment to further reduce water consumption in their facilities.	Low	Low	Low

Note: RAG ratings are based on financial impact, with each risk classified as either High (>10% impact on Group Adjusted EBITDA), Medium (>5% <=10% impact on Group Adjusted EBITDA) or Low (<=5% impact on Group Adjusted EBITDA) within each time horizon.