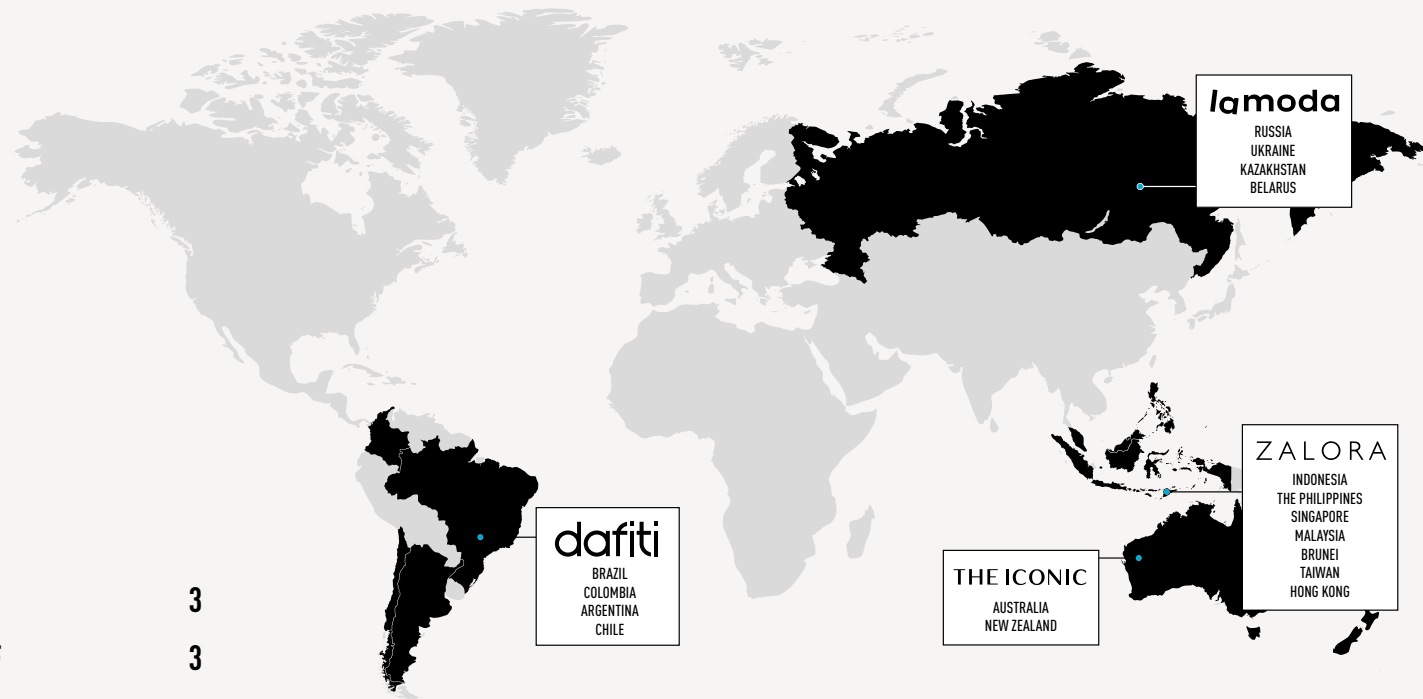




# CLIMATE REPORT 2020



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## ABOUT US

Global Fashion Group (GFG) is the leading online fashion and lifestyle destination in our markets, serving customers in 17 countries and connecting a population of one billion potential consumers with thousands of global, local and own-brands via our four established ecommerce platforms. Each platform is operated under an individual brand name: Dafiti (in Brazil, Argentina, Chile and Colombia), Lamoda (in Russia, Belarus, Kazakhstan and Ukraine), ZALORA (in Singapore, Hong Kong, Indonesia, the Philippines, Malaysia, Taiwan and Brunei) and THE ICONIC (in Australia and New Zealand).

As a global business with local operations in markets with diverse cultures and lifestyles, this diversity is at the heart of everything we do and gives real meaning to our Purpose of "True Self Expression". From our people, to our customers and partners, we exist to empower everyone to express their true selves.



**JAANA QUAINANCE-  
JAMES**

## FOREWORD

### MESSAGE FROM GFG CHIEF SUSTAINABILITY OFFICER

Recently, we ran workshops with senior leaders from across GFG to collaboratively identify the focus areas of the carbon mitigation strategy outlined in this report. During those sessions, nearly all reported that they worry either little or a lot about climate change and its impact on the planet. What I took away from this was that regardless of whether you live in Moscow, Sao Paulo, Singapore

or Sydney, the reality of climate change is now so obvious that the awareness of and concern about it has become mainstream. We have reached an inflection point as a global community whereby the impetus for change is undeniable. The time is now.

GFG has invested significant time and resources in the past 12 months in understanding our climate impacts - developing a bespoke footprint tool, collecting 20,000+ data points from our 19 countries, improving data quality and analysing our annual footprint twice. Along with offsetting, we have also invested in improving our transparency on climate impacts both in this report and our 2020 People & Planet Positive report released in March '21.

All that is clearly necessary but not actually what is most important. Our carbon mitigation strategy – the steps we will take to transform our business – and where we take it from here, is the fundament.

It is from now that our journey really begins.

## KEY HIGHLIGHTS

**14%**

Reduction in  
Carbon Intensity

**CARBON  
NEUTRALITY**

for Our Operations  
& Deliveries  
to Customers

**100%**

Fulfilment Centres  
Sourcing  
Green Electricity

# OUR APPROACH TO CLIMATE CHANGE

The fact that our climate is changing is undeniable. As a company, an industry and as a human race we need to transform the way we operate and transition to a low carbon economy as the survival of our only planet depends on it. As a business that is global, fast paced and dynamic, it is critical that as GFG enters its next stage of its evolution, we prioritise the transition to lower-carbon ways of working and ensure climate resilience of both our operations and our supply chain. It is our responsibility to our employees, customers, suppliers and other stakeholders who believe in GFG's ability to play a key role in transforming the fashion industry in emerging markets and consistently deliver long-term value to them.

## Governance

Topics in relation to climate change sit within our overarching sustainability strategy i.e. GFG's People & Planet Positive agenda. Our Management Board holds ultimate accountability for, and plays a critical role in, setting our overall direction related to climate change and they are supported in implementation by the Chief Sustainability Officer and the broader Group Executive team. The Management Board reports to the Sustainability Committee of our Supervisory Board on a quarterly basis on implementation of the Group and regional work plans related to climate change.

Within each GFG region there is a Regional Sustainability Committee, which champions the continuous development of the People & Planet Positive agenda and governs and monitors the progressive implementation of our objectives. In addition, our carbon mitigation efforts are supported by GFG's Global Governance, Risk and Compliance (GRC) Committee and the regional GRC functions, who ensure we have a robust understanding of and mitigation strategy for climate risk, while also reducing our footprint and improving carbon efficiency.

## Commitment to Setting Science-based Targets on Climate Change

There is no one-size-fits-all approach for business on climate change and it is dependent on a particular business and its supply chain's relationship with the environment. Nevertheless, we want to make sure GFG is heading towards a carbon reduction pathway that is in line with what the latest climate science deems necessary to meet the goals of the Paris Agreement, keeping global warming below 2°C from pre-industrial levels and continue to pursue efforts to limit the increase to 1.5°C.

We are on track to set science-based targets before the end of 2021 as per our previous commitment and carbon modelling work is now underway to support our target setting process and understand the impact of key actions and targets to drive emissions reduction in the long term.

## Climate-related Risks and Opportunities

GFG acknowledges that the continuing advancement of man-made climate change poses both physical and transition risks to our business. The physical risk associated with the increasing impact of climate volatility and rising frequency and severity of extreme weather events, such as floods, hurricanes or fires poses a risk to our or our suppliers' ability to operate and therefore may have an impact on business continuity. On the other hand, transition risk, associated with the move toward a lower carbon economy, may impact GFG's cost of compliance, accessibility to the materials used to manufacture our products or other resources needed to operate our business.

These risks have triggered us to reconsider how we do business and to factor climate-related risks and opportunities into our decision making process. We are currently conducting a comprehensive risk assessment on climate change aligning with Task Force on Climate-related Financial Disclosures (TCFD) which will inform the way we integrate climate-related risks into our overall risk management process this year and the development of this carbon mitigation strategy and our science-based targets form the core of our risk mitigation strategy. More details on the opportunities we have identified to manage and mitigate these risks, and ultimately deliver on our commitments, can be found in the following sections.

# OVERVIEW OF OUR CARBON FOOTPRINT IN 2020

GFG completed its 2020 carbon footprint in early 2021, with an overall improvement in data quality relative to the 2019 footprint presented in our 2020 People & Planet Positive report, released in March 2021.

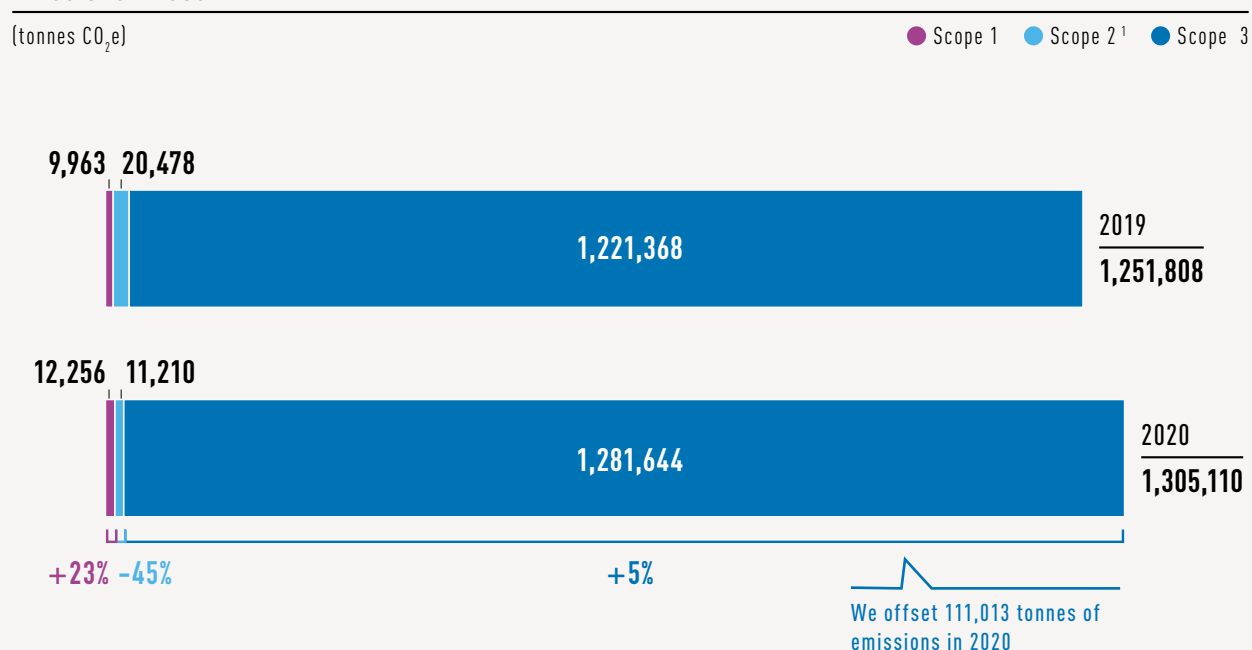
In 2020, the total greenhouse gas emissions emitted by GFG was 1.3 million tonnes of carbon dioxide equivalent (CO<sub>2</sub>e). Our business in LATAM accounted for the largest emissions in GFG, mainly due to having a higher proportion of shoes in its assortment. This is followed by CIS, SEA, ANZ and lastly the Group Shared Functions. Though overall emissions increased YoY by 4.3%, due to higher outbound logistics and product usage emissions, our carbon intensity decreased by 14% to 31kg of carbon per order. The same downward trend was seen in our carbon intensity exclusive of product-related emissions (i.e. product manufacturing, usage and end-of-life), which was 6.3kg of CO<sub>2</sub>e per order in 2020, relative to 7.5kg in 2019. The main drivers of this are the sourcing of renewable electricity in ANZ, purchasing of Renewable Energy Certificates (RECs) for our remaining fulfilment centres in LATAM, CIS and SEA and economies of scale.

Despite a slight decrease in the proportion YoY due to fewer units being purchased directly by GFG (relative to Marketplace sales), product manufacturing, due to the development of raw materials and the manufacturing of products that we sell, continued to be the biggest driver of emissions for GFG. Logistics and product usage remained the second and third largest drivers, both of which increased due to higher sales and orders.

In order to achieve greater accuracy, we seek to improve available data quality. As such, some trends may be partially attributed to improved data quality. This year, data quality improved for products (i.e. using more granular product information to estimate product-related emissions), logistics and waste.

## EMISSIONS BY SCOPE

(tonnes CO<sub>2</sub>e)



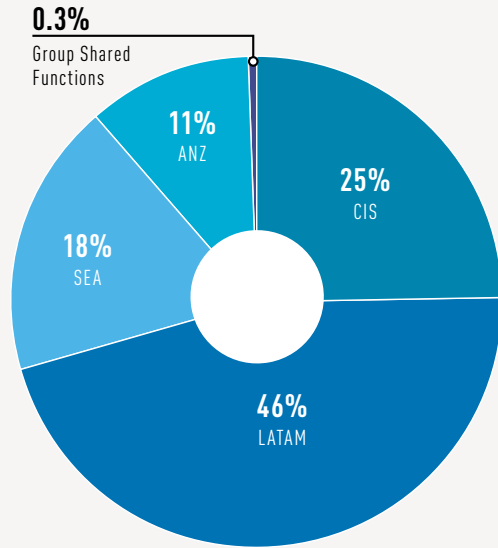
**Scope 1 emissions:** direct emissions from activities owned or controlled by GFG (e.g. fuel combustion from company vehicles, refrigerants)

**Scope 2 emissions:** indirect emissions associated with GFG's consumption of purchased energy (electricity and heating)

**Scope 3 emissions:** All indirect emissions (not included in Scope 2) caused by GFG's activities but not owned or controlled by us in our value chain, inclusive of our purchased goods (including merchandise) and services, use and end-of-life of sold products

<sup>1</sup> This is Scope 2 measured based on market-based methods. Scope 2 measured based on location-based methods is 21,884 tonnes.

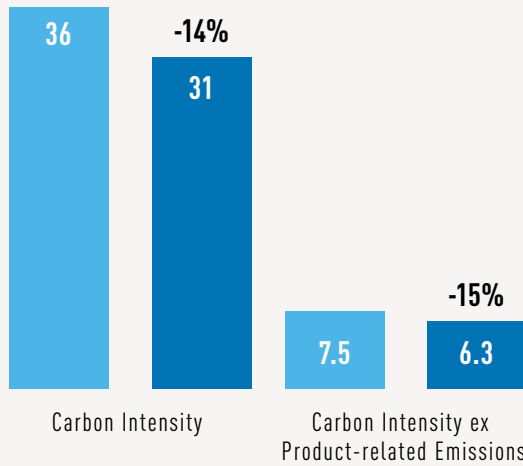
EMISSIONS BY REGION



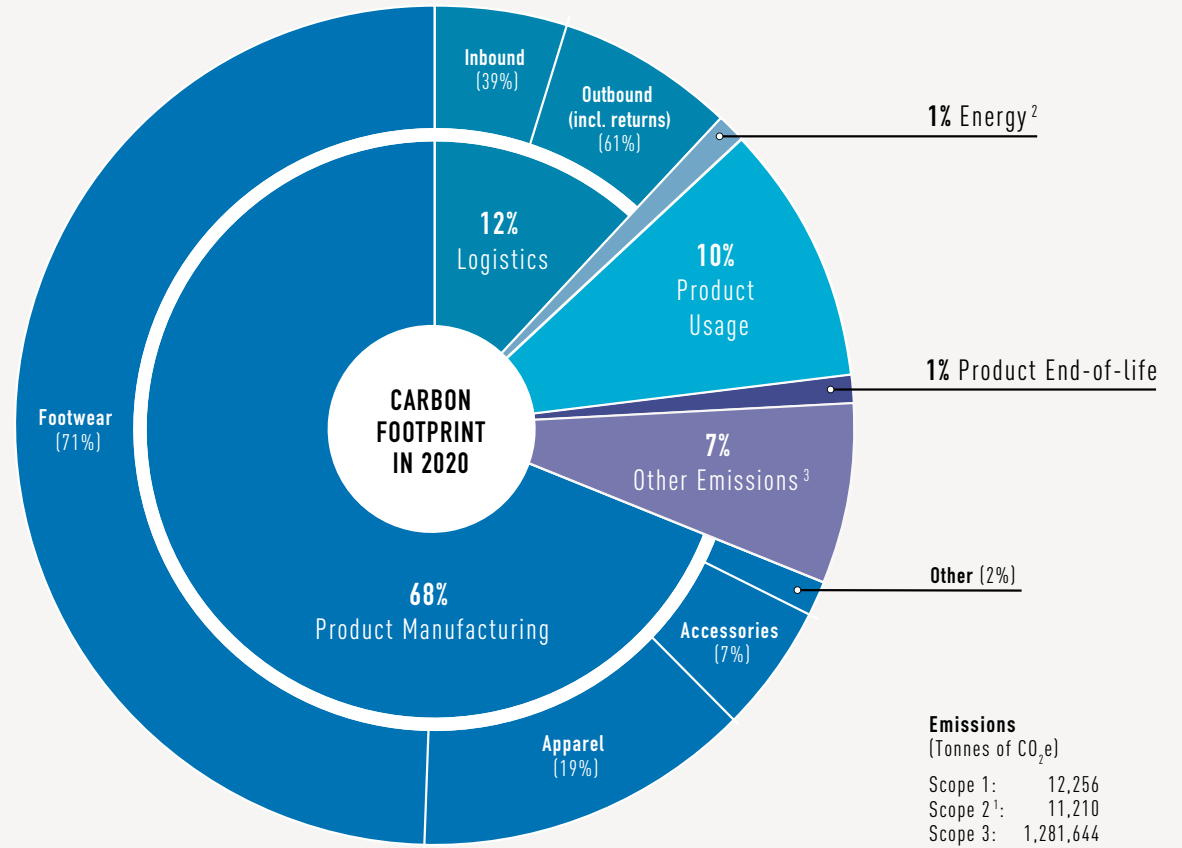
EMISSIONS PER ORDER

(kg/order)

● 2019 ● 2020



EMISSIONS BY SOURCE



**Emissions**  
(Tonnes of CO<sub>2</sub>e)

Scope 1:	12,256
Scope 2 <sup>1</sup> :	11,210
Scope 3:	1,281,644

<sup>2</sup> Fuel consumption by GFG's own fleet is included in outbound emissions.

<sup>3</sup> This includes various emission sources such as purchased services, capital goods, waste, packaging, employee commuting and business travel.



# OUR CARBON MITIGATION STRATEGY

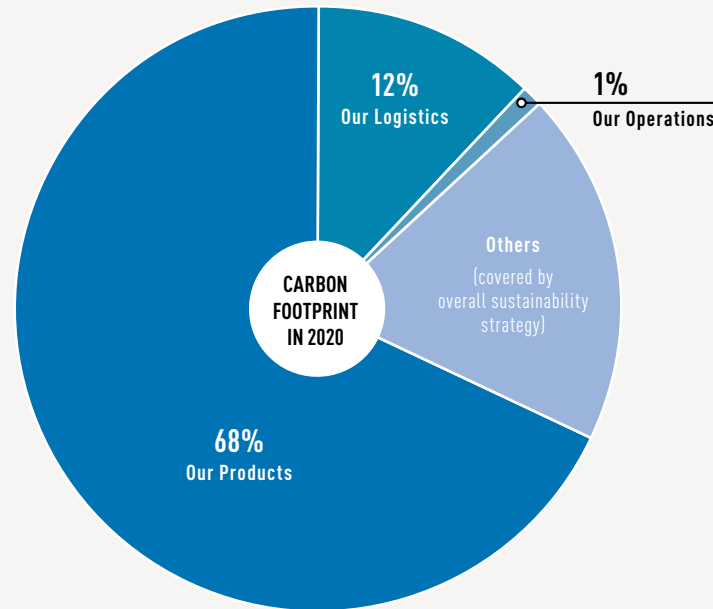
To drive a consensus effort across the Group in reducing our footprint and improving carbon efficiency, we need a strategy for carbon mitigation across the 19 different countries in which we have a footprint.

A series of cross-functional virtual workshops, led by Group Sustainability and involving key leaders and regional stakeholders were held in early 2021 to prioritise focus areas and inform the design of our carbon mitigation strategy. Understanding that the nature of our business resulted in a majority of our carbon emissions (98.2%) occurred within our value chain which are not operations we own or control<sup>4</sup>, and through these workshops we reached consensus that we must seek reduction beyond just our own operations and actively work with our business partners to reduce our footprint.

Therefore, GFG will target carbon reduction not only in **Our Operations** which we own or control but also the top two other areas that generate the greatest emissions i.e. **Our Products** and **Our Logistics**. Collectively they contributed more than 80% of GFG total emissions in 2020 and therefore provide significant opportunity for reduction. Areas with relatively low impact on our total emissions, such as packaging and product usage, will not form an explicit part of the carbon mitigation strategy, however remain covered by our overall sustainability strategy and broader efforts to reduce our impact on the environment.

## OUR FOCUS AREAS FOR CARBON MITIGATION

These focus areas will be in line with our science-based targets which we plan to submit and announce by the end of 2021.



**Our Products:** We seek to reduce carbon emissions associated with the raw materials and manufacturing processes of our products.

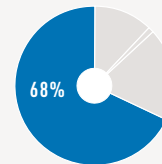
**Our Logistics:** We seek to reduce carbon emissions associated with inbound and outbound logistics including returns<sup>5</sup>.

**Our Operations:** We seek to reduce carbon emissions associated with the energy consumption of our facilities.

## Reducing Emissions in Our Products

### Our Performance

Product-related emissions are GFG's largest emissions category, with more than 85% associated with the development of raw materials and the manufacturing of products. Given the volume of shoes in our assortment and their higher carbon intensity, shoes accounted for 71% of total emissions in product manufacturing.



In 2020, we achieved a 1.2% reduction in carbon emission associated with our products compared to 2019, mainly due to fewer items being purchased directly by GFG in the Mens and Womens Apparel categories. This reduction was partially mitigated by higher purchase in the Home and Lifestyle categories. Evolving our assortment, from both our own- and third-party brands, to be made from less carbon intensive materials is key to our sustainable assortment strategy. While we do not have direct control over third party brands, we will continue to influence their assortment.

<sup>4</sup> This refers to GFG Scope 3 emissions in 2020.

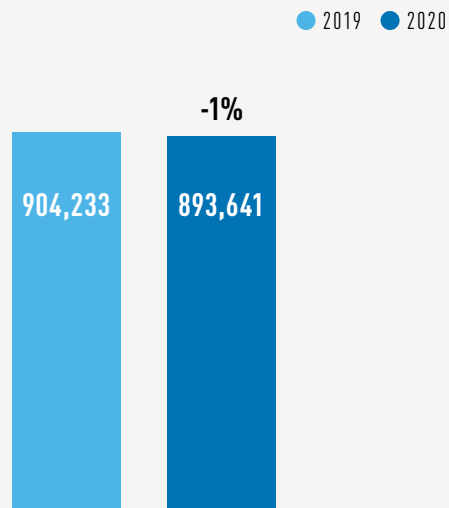
<sup>5</sup> Fuel consumption by our own fleet is considered in Our Logistics.

## Preferred Materials in Our Own-Brands

Given the much greater direct control we have over the materials used for our own-brand products, transitioning them to be made from lower carbon alternatives is an important focus for GFG and we aim to reach 15% made from preferred materials by the end of 2021. To support our commercial team across different regions in the transition to lower carbon materials, we have established the GFG Preferred Materials Benchmark which ranks materials based on the environmental impact in each lifecycle stage, including raw material, production, the use phase and at the end of life. All regions with own-brands (LATAM, SEA & ANZ) were provided with a set of detailed verification guidelines and training during 2020 to ensure that our claims on preferred materials are compliant with consumer marketing laws and relevant standards' usage guidelines.

### EMISSIONS IN OUR PRODUCTS

(tonnes CO<sub>2</sub>e)



PREFERRED MATERIALS  
IN SEA'S OWN-BRANDS



Following the 2019 launch of ANZ own-brand AERE, which is made exclusively from preferred materials we continued making progress to integrate preferred materials in all regions. SEA launched its first sustainable capsule under ZALORA Basic Label and two new dedicated own-brands made from preferred materials – *Origin by ZALORA* and *Earth by Zalia Basic*, all using more sustainable materials such as organic cotton, recycled polyester, TENCEL™ modal and lyocell, and LENZING™ ECOVERO™ viscose which is 50% less carbon intensive compared to generic viscose. Knowing that we are at the early stage of this transition, there will be an increased focus in 2021 to further expand our own-brand products from the current 2.5% made from preferred materials. During Q1 2021 there has been an encouraging improvement to 6.3%.

## CASE STUDY

### Transforming Own-brands in SEA

In August 2020, the SEA team conducted research to understand their customers' sustainable shopping behaviours and preferences. More than 80% of customers participating in the research reported that sustainability attributes of a product influenced their purchasing decisions and more than 60% indicated they had bought sustainable fashion products in the past. Furthermore, in confirmation of our anecdotal knowledge, 46% of customers reported that the limited availability of sustainable choices is a barrier to their experience and frequency of shopping sustainably.

Driven by the need to reduce the carbon footprint associated with our products and a desire to close this availability gap for customers, SEA launched own-brand collections made from sustainably sourced materials in the second half of 2020. Characterised by products associated with their lower carbon footprint, the range includes products made from LENZING™ ECOVERO™, TENCEL™, organic cotton and recycled polyester. These are now sold under the *Origin by ZALORA* and *Earth by Zalia Basic* brands and include the first modest wear range made from more sustainable materials by a major online retailer in SEA.

Although it is still early in our sustainable assortment journey in SEA, we experienced an encouraging uptake with over 1,000 customers having purchased more than 3,000 units of more sustainable own-brand products in the second half of 2020.

Building on this early momentum, SEA is continuing to transition the own-brand assortment to be made from preferred materials in order to deliver its target to reach 40% of own-brand products from preferred materials by 2025.



## Sustainable Assortment

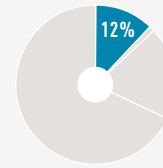
In addition to transforming our own-brands to be made from preferred materials, we want to actively drive the uptake of similar products amongst the brands we stock from our partners. While we do not have direct control over this supply chain, we believe there is a role to play for GFG in working with our brand partners to make sustainable fashion mainstream and accessible for customers across all our markets. This will not only enable our customers to shop by their values more conveniently but also encourage our brand partners to offer lower impact products through inspiring customer demand.

Over the past 18 months, we have launched sustainable shopping edits in all our regions (DFT Evolution in LATAM, lamoda planet in CIS, Earth Edit in SEA and THE ICONIC Considered Edit in ANZ), allowing our customers to easily navigate products which benefit humans, animals or the environment. All products included are verified by our in-house specialists ensuring they meet at least one of our criteria in the following categories: Sustainable Materials, Eco-Production, Fair Production, Animal Care, Clean Beauty, Community Engagement and Pre-loved. No accurate baseline was available in 2020, however in Q1 2021 5.7% of our Net Merchandise Value (NMV) came from products meeting one or more of our criteria and as such we are on track to reach our target of 10% by the end of 2021.

## Reducing Emissions in Our Logistics

### Our Performance

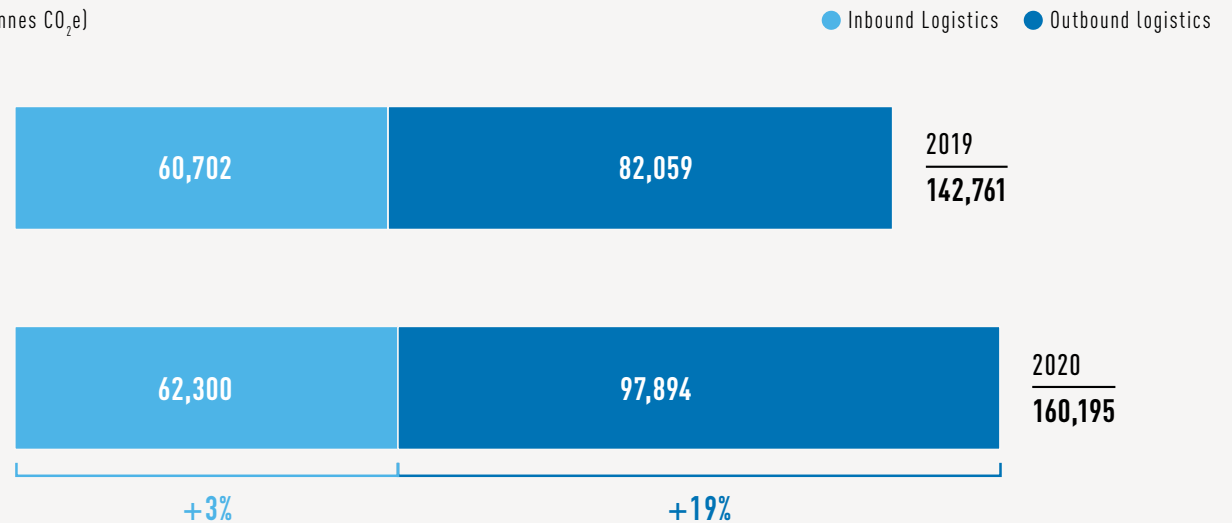
During 2020 GFG served more than 16 million active customers in 17 countries, powered by our extensive logistic network. From product sourcing to customer delivery via our own fleet and third party logistics partners, we recognise that the seamless delivery experiences we offer to our customers generate emissions. In 2020 this accounted for 12% of total emissions and as such GFG is actively exploring low or zero carbon logistics alternatives to drive carbon reduction.



Our logistics footprint increased in 2020 by 12% compared to 2019, mainly driven by 19% growth in outbound emissions as a result of business growth and an increase in the number of orders. ANZ and SEA reduced emissions by shifting inbound deliveries from air to sea freight while some regions also introduced low / zero carbon emissions delivery for the last mile. However, we are at the early stage of our journey and there is more potential to be unlocked. This includes working with our internal teams and third party logistics partners to identify scalable reduction opportunities without compromising commercial agility and customer experience and improving our data quality to track emissions.

### EMISSIONS IN OUR LOGISTICS

(tonnes CO<sub>2</sub>e)



## Inbound Logistics

The emissions associated with suppliers sending us products contributed 39% of our logistics emissions in 2020. Many of these inbound logistics are arranged by our suppliers and therefore we do not have direct control, however we recognise, their choice of freight types are partly influenced by GFG's requirements on product delivery. As such, we see benefit in working with our partners on better planning to support the switch of inbound shipments from air freight to other less carbon intensive freight types such as sea and land.

In 2020, in addition to increasing the consolidation of sea shipments leaving Asia, ANZ introduced a hybrid solution that incorporates a mix of sea and air freight for suppliers that would otherwise be exclusively via air freight. As a result, emissions per kilogram of product transported by ANZ reduced 29% in 2020. In addition, the weight of inbound shipments by air to the Malaysia warehouse reduced by 46%. These successes demonstrate the ability of our business to transition to lower carbon alternatives whilst also meeting our commercial objectives.



OUR LOGISTIC  
TEAM IN CIS

## Outbound Logistics

The emissions occurred from parcels we sent to customers or sent directly by Marketplace sellers, including returns, contributed 61% of GFG logistics emissions in 2020. With greater direct control of decisions about outbound transport methods, we see two distinct opportunities for us to reduce our outbound logistics emissions, transitioning to use of low or zero emissions delivery options and consolidation of multiple parcels from Marketplace sellers into one.

In 2020, we launched three pilot projects in LATAM, CIS and ANZ on lower or zero emissions delivery for the last mile. Customers in certain locations of Santiago and Sydney are receiving parcels delivered by electric vehicles (EVs), resulting in 70% fewer emissions per trip compared to conventional petrol vehicles from a life cycle perspective<sup>6</sup>. Russia began delivering parcels in Moscow and St. Petersburg to our customers who reside within a 2km radius from one of our many pick up points by foot. With more than 102,000 orders delivered via these means, we are scaling up for greater coverage in 2021.

In terms of parcel consolidation, four countries (Brazil, Argentina, Chile and Russia) have introduced a cross-docking model, where products from Marketplace sellers are collected and consolidated into one parcel, resulting in only a single trip for the last mile. In 2020, the proportion of Marketplace items fulfilled by GFG increased to 71%, from 67% in 2019. Indicating greater consolidation and improved carbon efficiency within our logistics. It is expected that cross-docking will continue to grow in GFG moving forward, especially in LATAM.

<sup>6</sup> NATURE SUSTAINABILITY | VOL 3 | JUNE 2020 | 437-447 | <https://www.nature.com/natsustain/volumes/3/issues/6>.

## CASE STUDY

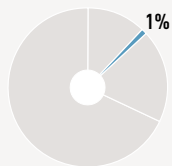
### Hybrid Freight Model in ANZ

A product shipped via air results in 74 times<sup>7</sup> more carbon emissions than if it were to be shipped via sea. With the large majority of their inbound logistics emissions from air freight in 2019, it has been a priority for ANZ to reduce overall air freight usage. However, while air freight is costly and has a high carbon footprint, given ANZ's geographical location, solely using sea freight results in longer lead times for deliveries and the risk that product is not available to be sold in the appropriate season.

Together with their logistics partner ANZ developed a hybrid freight model in January 2020, where products shipped from their three largest European suppliers, who would otherwise use exclusively air freight, were instead sent by a combination of air and sea. This hybrid freight model is a solution to balancing carbon considerations with commercial needs - reducing emissions and logistics costs, yet cutting the delivery period of exclusively shipping via sea by half. As a result, emissions per kilogram of product transported by ANZ reduced 29% YoY.

<sup>7</sup> Based on GFG carbon accounting tool

## Reducing Emissions in Our Operations



### Our Performance

Our operations (i.e. warehouses, offices and pickup points that we own / control) do not involve heavy machinery or processing activities and therefore contributed only 1% of GFG's emissions in 2020. However, recognising the importance of leadership at home, we will continue to pursue low carbon transition in our operations. Key strategies to support this include completing transformation of our electricity sourcing to renewable sources and continuing to increase energy efficiency in our operations.

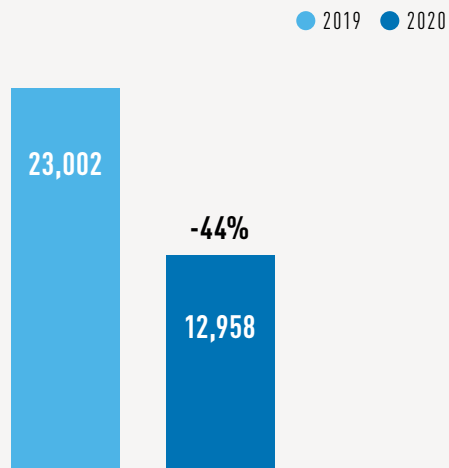
Despite experiencing an increase in overall electricity consumption in 2020, we achieved a 44% reduction in carbon emissions for our operations compared with 2019 due to sourcing of green electricity for our fulfilment centres.



NEW WAREHOUSE IN BRAZIL BUILT WITH GREEN DESIGN PRINCIPLES

### EMISSIONS IN OUR OPERATIONS

(tonnes CO<sub>2</sub>e)



### Renewable Energy and Energy Efficiency

In 2020, 100% of our fulfilment centres are sourcing green electricity aligned with GFG Renewable Energy Guidance, up from 0% in 2019. This was achieved through ANZ shifting to a renewable electricity provider and purchasing of Renewable Energy Certificates (RECs) for fulfilment centres in LATAM, CIS and SEA. Considering the low maturity of green electricity sourcing in many of our markets, we see the purchase of RECs an interim solution and will continue to explore opportunities such as on-site solar panel installations at our fulfilment centres regardless of having purchased RECs.

On energy efficiency, in addition to using LED lighting as our main power source in our fulfilment centres globally, our new fulfilment centre built with green design principles in Brazil is a fully automated facility with 60% energy saving as compared with the previous warehouse. In Indonesia and Malaysia we are introducing light sensors and timer for air-conditioners, whilst in ANZ we are working on the installation of a 350kW solar panel on our fulfilment centre by the end of 2021.

Image credit: South Pole



OFFSET  
PROJECT IN  
CHINA

**“We are proud to support Global Fashion Group's efforts to take responsibility for their greenhouse gas emissions. They have offset their emissions with high quality carbon credits from international emissions reduction projects certified to trusted global standards, creating real and notable benefits to the environment.”**

**TOM SCHRODER**  
Head of Climate Action  
South Pole

## Carbon Neutrality of Our Operations & Deliveries to Customers

GFG is committed to reducing our carbon intensity as defining new ways of working is clearly the only way to fundamentally address the climate crisis. However whilst this transition is underway, we also see a role for carbon offsetting. Not only do we believe it's important to support climate positive actions outside of our business, it creates an important internal impetus for change inside it.

2020 is GFG's first year becoming carbon neutral in our operations and deliveries to customers<sup>8</sup>, offsetting 8.5% of our total carbon footprint. We achieved this through collaboration with leading project developer and provider of global climate solutions South Pole to purchase high quality carbon credits from certified climate action projects around the world, resulting in 111,013 tonnes of CO<sub>2</sub>e verified emission reductions. These carbon credits originated from renewable energy projects located in China, India and Brazil where GFG's operations and our own-brand suppliers are based. All carbon projects are certified under international offset standards recognised by the International Carbon Reduction and Offset Alliance (ICROA).

Apart from reducing carbon emissions, these projects generated social benefits to the local communities. The offset project in China, for example, created a total of 960 jobs with 25% women employed. In addition, more than 170 local farmers residing in surrounding villages participated in sustainable agriculture training programmes providing them increased income opportunities, creating additional co-benefits in our carbon offsetting.

<sup>8</sup> Refer to emissions in Scope 1 & 2 as well as Scope 3 Category 9 in Greenhouse Gas Protocol. These cover energy and refrigerant emissions as well as logistic emissions occurred in parcels we sent.



# APPENDIX

## Scopes and Boundaries

All our carbon emissions are reported in line with the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard including all categories that are applicable to GFG. All greenhouse gases regulated by the UN Kyoto Protocol have been accounted for in our footprint.

GFG has adopted the operational control approach to account for its carbon emissions using the calendar year (1 January to 31 December). This approach allows us to include 100% of emissions from all subsidiaries of GFG's operations which are wholly or partially owned or controlled by GFG e.g. warehouse we rent and operate. In Scope 3 Category 1: Purchased goods and services and Category 4: Upstream transportation and distribution, we account for emissions related to products and services that we purchased only (e.g. Marketplace products are not purchased by GFG therefore not included in the scope).



ZERO EMISSIONS  
VEHICLE  
OPERATING IN  
CHILE

## References and Assumptions

Our carbon footprint is completed with reference to the following sources on emission factors:

- National greenhouse gas inventories
- IPCC (2013) Climate Change 2013: The Physical Science Basis. Contribution of Working Group I to the Fifth Assessment Report of the Intergovernmental Panel on Climate Change
- EXIOBASE Consortium (2018) EXIOBASE 3
- Ecoinvent Centre (2019) ecoinvent 3.6
- Australian Life Cycle Assessment Society (2019) AusLCI v1.28
- Life cycle related literatures, databases, reports and online publications

We use the best available data to estimate our carbon footprint every year. This includes financial (spent) and physical (e.g. energy consumption, number of sold items by location and product material composition) data where available. Aligned with Greenhouse Gas Protocol, we built a bespoke carbon accounting tool verified by specialist sustainability advisory Edge Environment that is now being used Groupwide to account for carbon emissions based on these data points with applicable emission factors. Where actual data is either wholly or partially not available, informed estimations based on assumptions are made based on best practices and recommendations from Edge Environment.



## Detailed Breakdown of Our Emissions in 2020

Category	Emissions (tonnes CO <sub>2</sub> e)	Percentage (market-based)
<b>Scope 1 Emissions</b>		
Fuel combustion - stationary	50	0.0%
Fuel combustion - mobile	10,348	0.8%
Fugitive emissions (refrigerants)	1,859	0.1%
<b>Scope 2 Emissions</b>		
Purchased electricity and heating (market-based)	11,210	0.9%
Purchased electricity and heating (location-based) <sup>9</sup>	21,884	
<b>Scope 3 Emissions</b>		
Cat 1: Purchased goods and services	951,975	72.9%
Cat 2: Capital goods	14,947	1.1%
Cat 3: Fuel- and energy-related emissions	1,698	0.1%
Cat 4: Upstream transportation and distribution	62,300	4.8%
Cat 5: Waste generated in operations	5,902	0.5%
Cat 6: Business travel	884	0.1%
Cat 7: Employee commuting	9,935	0.8%
Cat 8: Upstream leased assets	N/A	
Cat 9: Downstream transportation and distribution	87,546	6.7%
Cat 10: Processing of sold products	N/A	
Cat 11: Use of sold products	133,263	10.2%
Cat 12: End-of-life treatment of sold products	13,192	1.0%
Cat 13: Downstream leased assets	N/A	
Cat 14: Franchises	N/A	
Cat 15: Investments	N/A	
<b>Total Emissions</b>		
Market-based emissions	1,305,110	
Emissions neutralised by carbon offsets	111,013	
Net emissions	1,194,097	

<sup>9</sup> Market-based emissions are calculated using supply-specific factors where possible whereas location-based emissions are calculated using national electricity grid average from references stated in References and Assumptions section. GFG total location-based emissions are 1,315,783 tonnes.

\* Due to rounding, numbers presented throughout this report may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

