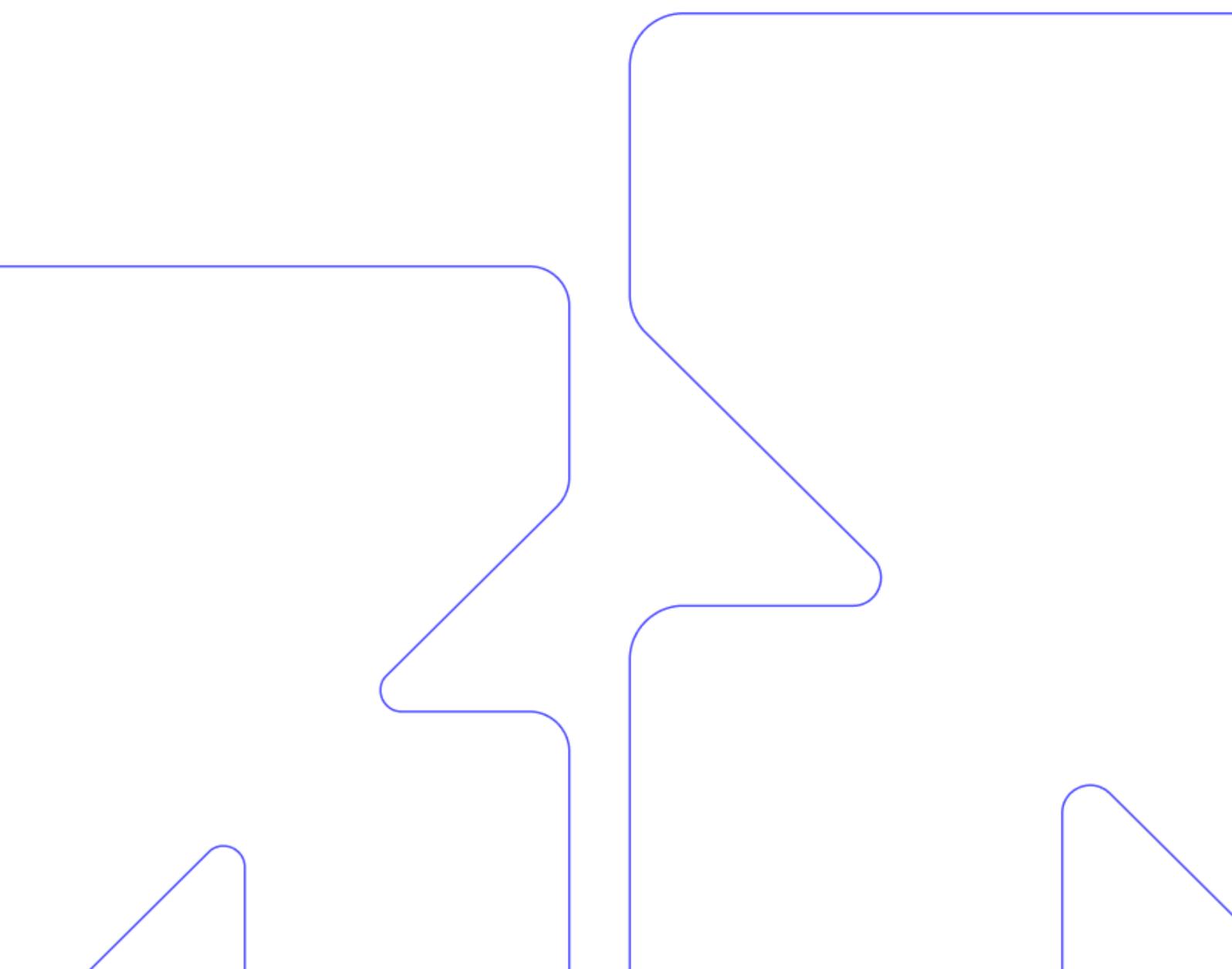




GBG'S BASE YEAR ADJUSTMENT POLICY

Hannah Williams | Impact and Sustainability Manager

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1 Introduction

As part of our commitment to accurate and transparent emissions reporting, we are updating our base year. This change is driven by the adoption of Watershed's CEDA database¹, which provides the most robust and comprehensive emissions calculation we have achieved to date. The new reporting approach includes a significantly broader range of Scope 3 emissions, ensuring a more complete and accurate representation of our environmental impact. This approach is aligned with the GHG Protocol² to ensure completeness and accuracy in tracking emissions reductions year on year.

2 Base Year Change

Base Year: Our FY25 emissions data will serve as our base year moving forward. When referencing the base year, we mean the base year for any carbon related targets.

Reason For Change: This decision is based on the enhanced accuracy and completeness of the data, that we have gained through adoption of Watershed's CEDA database¹, which will better inform our strategies and actions towards achieving Net Zero emissions. Consequently, our FY22 base year is no longer directly comparable to our FY25 emissions. We will continue to report year-on-year comparisons to maintain transparency and track our progress over time, this is aligned with Streamlined Energy and Carbon Reporting (SECR) requirements³. Historical data will remain unchanged to ensure consistency in our reporting.

We are committed to publishing our route to Net Zero based on the FY25 emissions as our base year. To strengthen our commitment, we aim to have our targets validated by the Science-Based Targets initiative (SBTi). This validation will provide external assurance of our targets and ensure they are aligned with the latest climate science.

3 GBG's Significance Thresholds

According to SBTi's advice⁴, once companies have obtained validated Net Zero targets, there should not be a change in historical emissions unless there are material changes to the business. If we experience any material changes after validation, we will adhere to SBTi's guidelines and update our approach accordingly. Our significance thresholds for change are outlined below:

If structural, methodological or boundary changes result in Group Scope 1 and 2, or Group 3 emissions changing by 5% or more, then the base year inventory will be re-calculated and restated.

In alignment with the above significance thresholds, the GHG Protocol expects a company to recalculate base year emissions when the following changes occur and have a significant impact on the inventory:

- Structural changes in the reporting organisation, such as mergers, acquisitions, divestments, new joint ventures, outsourcing, and insourcing.
- Changes in calculation methodologies, improvements in data accuracy (including emissions factors), or discovery of significant errors
- Changes in the operational or organisational boundaries of the inventory (e.g., changes in the categories or activities included in the Scope 3 inventory or future changes to how emissions are consolidated)

The Impact and Sustainability Manager will advise where any decisions related to the above need to be taken and in consultation with the CEO and CFO a recommendation for approval will be shared with the ESG Committee, which comprises of the whole Board. Changes will be disclosed, where necessary, at the end of each financial year. GBG will restate updated base year emissions and reported previous years when it reports its latest greenhouse emissions.

4 Conclusion

This base year adjustment policy reflects our dedication to improving the accuracy and transparency of our emissions reporting. By adopting the Watershed’s CEDA database and setting a new base year, we are taking significant steps towards setting our Net Zero targets and demonstrating our commitment to sustainability.

5 Policy Version History

Version No.	Date	Revised by	Description of revisions
1.0	24/04/2025	Hannah Williams	Policy Created

¹Watershed’s CEDA database <https://watershed.com/en-GB/solutions/ceda>

²GHG Protocol Corporate Standard and GHG Protocol Value Chain (Scope 3) Standard <https://ghgprotocol.org/>

³ Streamlined Energy and Carbon Reporting requirements <https://www.gov.uk/government/publications/environmental-reporting-guidelines-including-mandatory-greenhouse-gas-emissions-reporting-guidance>

⁴ Science Based Targets initiative <https://sciencebasedtargets.org/>