

ZERO CARBON REPORT 2022

MAPPING OUR PATH TO NET ZERO
CARBON EMISSIONS BY 2035
(SECOND RELEASE)



HOLDINGS

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This report is part of our 2022 reporting suite. Our Annual Report 2022 includes our Task Force on Climate-related Financial Disclosures (TCFD) Report. The data tables supporting our greenhouse gas absolute emissions and the climate-related scenario analysis methodology are contained in the ESG Supplementary Information section of our Annual Report.

Our annual report is available on our corporate [website](#).

Dear Shareholders,

RECOGNISING THE URGENCY AND IMPORTANCE OF THE CLIMATE CRISIS, IN 2021 THE GROUP SET CLEAR TARGETS TO ACHIEVE NET ZERO GREENHOUSE GAS EMISSIONS BY 2035. FOLLOWING THE ACQUISITION OF THE INTERNATIONAL (NON-US) BUSINESS OF WILLIAM HILL ('WILLIAM HILL') DURING 2022, THE GROUP HAS TRANSFORMED ITS SCALE, AND NOW OPERATES ACROSS OFFICES GLOBALLY AND EMPLOYS OVER 11,000 PEOPLE. AS A RESULT, WE KNOW NOW MORE THAN EVER THAT BY DELIVERING AGAINST OUR CLIMATE COMMITMENTS WE HAVE A REAL OPPORTUNITY TO MAKE A POSITIVE IMPACT ON THE PLANET.

888 Holdings plc (and together with its subsidiaries, '888' or 'the Group') is one of the world's leading betting and gaming companies. In 2021, we developed our first comprehensive ESG framework, called 'Made for the Future', and pillar three - Planet - focuses on our environmental impact and responsibilities.

This ESG framework has evolved further following the acquisition of William Hill, and has been renamed 'Players, People, Planet.' The Players, People, Planet framework is a critical component of our overall business strategy as we strive to create value for all of our stakeholders.

In 2021, we published our first Zero Carbon Report, which outlined our ambitious pathway to reaching net zero carbon emissions by 2030 (Scope 1 and 2) and across our value chain by 2035. For us, 'net zero' means ensuring that the greenhouse gas ('GHG') emissions associated with our business are reduced towards zero as far as possible, with residual emissions balanced by carbon removals, thereby achieving a 'net zero' position.

The following comprises the second of these reports, providing an update on progress on this pathway.

This report also outlines the development of our transition plan, in order to ensure our business model aligns with the 2015 Paris Agreement to support a world in which the global average temperature is not allowed to rise by more than 1.5°C above pre-industrial levels. In 2021, we decided to be more ambitious in our commitment, and set a net zero target of 2035, which is 15 years earlier than the UK government's mandate to reach net zero by 2050. Our transition plan will reinforce our ability to reach this target, and the Board of Directors remains highly confident that such ambitious climate action will create value for all stakeholders, including shareholders.

The Group's carbon footprint expanded this year after we completed the acquisition of William Hill, not least because we now operate a UK estate of more than 1,400 retail shops. Therefore, while our energy impact remains relatively low in comparison to more carbon intensive sectors, reflecting the enlarged Group's transformed scale, in 2023 we will re-baseline the net zero targets we set in 2021 and review the interim milestones for the transition plan. Once we have recalculated the baseline, we will review whether to seek third-party assurance of our emissions data and the validation of our targets under a scientific standard, such as the Science-Based Targets initiative.

In accordance with LR 9.8.6FG, we are making disclosures on our transition plans as part of our Strategy disclosures (under the Task Force on Climate related Financial Disclosures (TCFD) recommendations) as a UK listed entity, in accordance with the UK government's mandate to be net zero by 2050.

We acknowledge that in 2022 the UK Transition Plan Taskforce ('TPT') developed a sector neutral framework for transition plan disclosures, and we will consider aligning our disclosures with the TPT's guidance for transition plans in future iterations of this disclosure.

Going forward, we will release an update on our transition plan every three years, and report on our progress in the intermediate years within our TCFD disclosures in our Annual Reports.

I thank you for taking the time to read this report. Please do let the Board know your thoughts as we continue to evolve 888's approach to meeting our net zero commitments.

Andria Vidler
Independent Non-Executive Director
and ESG Committee Chair
14 April 2023

About 888

888 HOLDINGS PLC (AND TOGETHER WITH ITS SUBSIDIARIES, '888' OR 'THE GROUP') IS ONE OF THE WORLD'S LEADING BETTING AND GAMING COMPANIES.

On 1 July 2022, the Group acquired the international (non-US) business of William Hill ('William Hill'), and its UK retail estate of almost 1,400 licensed betting offices, to create one of the world's leading betting and gaming operators. Throughout this document, references to 'the Group', 'we' or '888' include William Hill. Otherwise, where deemed appropriate, references are explicitly stated as '888 (excluding William Hill)'.

Incorporated in Gibraltar, and headquartered and listed in London, 888 operates from offices around the world and employees over 11,000 people.

SIGNIFICANT EXPERTISE OPERATING ACROSS NUMEROUS REGULATED MARKETS



Our mission is to lead the gambling world in creating the best betting and gaming experiences, bringing unrivalled moments of excitement to people's day-to-day lives. We achieve this by developing state-of-the-art technology and content-rich products that provide fun, fair, and safe betting and gaming entertainment to customers around the world.

888 owns and operates internationally renowned brands including William Hill, 888, and Mr Green. In addition, the Group operates the SI Sportsbook and SI Casino brands in the US in partnership with Authentic Brands Group.

Find out more at: <http://corporate.888.com>

Our climate ambitions

IN 2021, WE SET OUR CLIMATE AMBITION TO BE A NET ZERO COMPANY BY 2030 (SCOPE 1 AND 2), AND FURTHER TO BECOME NET ZERO ACROSS OUR VALUE CHAIN BY 2035 (SCOPE 3).

We are committed to transitioning our business model to one that aligns with a 1.5°C world and a net zero carbon economy. Betting and gaming, especially online, uses a service business model with little reliance on physical products. As a result, 888’s core digital product offering has a low environmental impact. Our products are hosted on a global network of servers, operated by us, or on our behalf by carefully selected partners. Meanwhile, in the United Kingdom we have a large network of retail based outlets acquired through the purchase of William Hill. This estate has the potential to increase our carbon footprint but due to excellent work across the business and a variety of energy saving trials and a switch to renewable energy carbon neutrality (across scope 1 & 2 emissions) was achieved by the end of 2022. Nonetheless, as we continue to strive to reduce our GHG emissions from our offices, retail estate and data centres, changes to the core product offering are not currently being considered.

Our climate strategy is guided by a set of net zero targets covering the entirety of 888’s direct (Scope 1), indirect (Scope 2) and value chain (Scope 3) emissions. Delivered responsibly, carbon removals will play a supporting role in reaching these net zero targets.

SCOPE 1	SCOPE 2	SCOPE 3
Emissions are direct emissions which 888 has control over, such as the combustion of fuels in company cars or diesel used in generators.	Emissions are indirect emission sources, from the consumption of purchased electricity, heat, or steam, which may result from the energy used to heat and power our offices and data centres around the world.	Emissions are other indirect emissions from upstream and downstream activities across our value chain. We cannot control these ourselves, but must exert our influence over third parties and partners to encourage them to set net zero targets of their own.
		

TIMELINE OF 888’S CLIMATE GOALS (SET IN 2021)

 <p>By the end of 2025 clear pathway towards 80% emissions reductions from supply partners representing 60% of external spend (our '80 by 60' strategy)</p>	 <p>By the end of 2030 Net zero (Scope 1 and 2)</p>	 <p>By the end of 2035 Net zero (Scope 3)</p>
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HOW WE INTEND TO DELIVER OUR PLEDGES

To deliver our climate pledges, our climate transition plan requires a level of cultural change, led from the top of the organisation, together with a cross-functional effort (see Figure: 1). We have also put in place strong climate governance processes (as part of our wider ESG governance) to ensure the successful execution of our climate transition plan (see: Governance and disclosure).

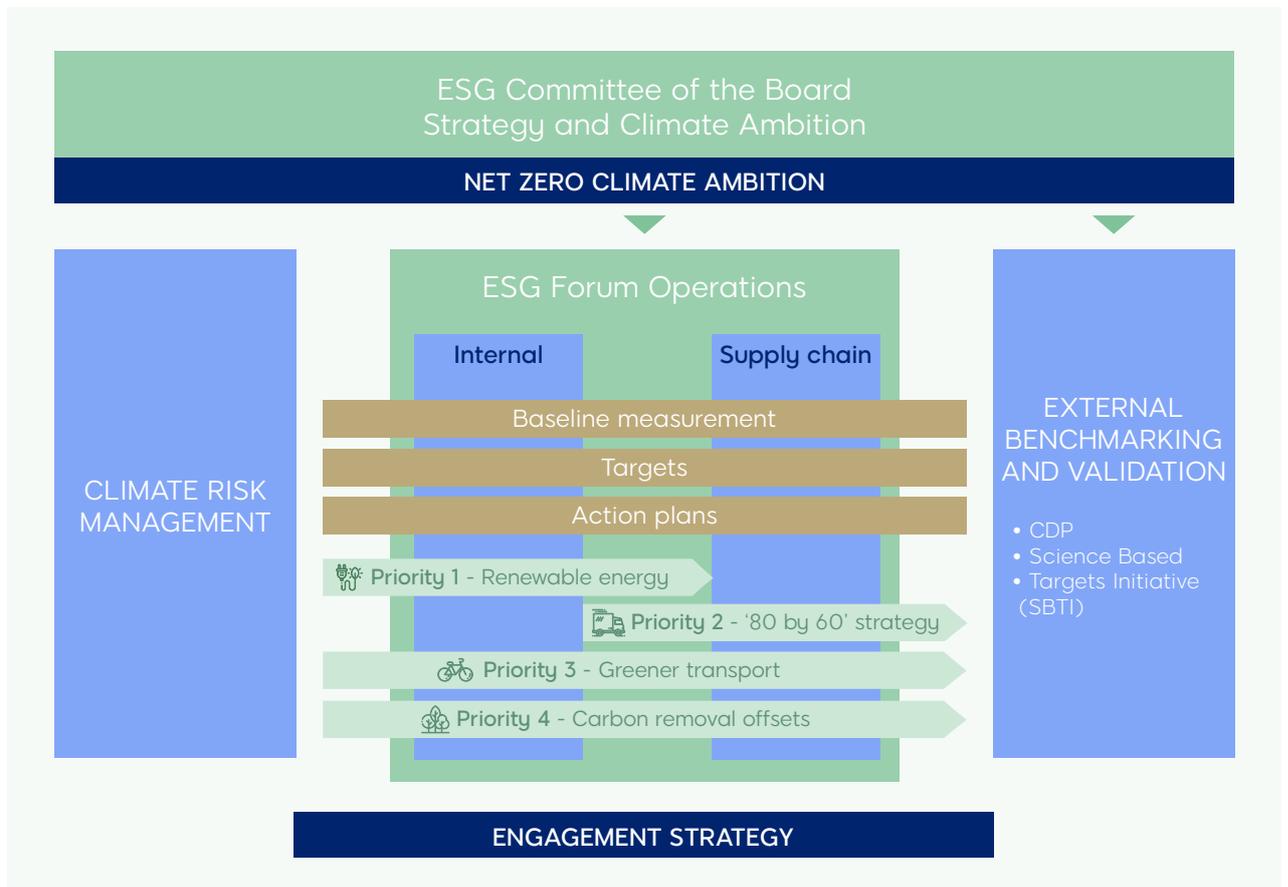
The ESG Committee of the Board has incorporated a climate-based target for the FY23 executive remuneration, which is aligned to the delivery and performance of our net zero targets. We will also publicly report on our progress in the TCFD disclosures as a part of our annual reports going forward.

Risk management is also key to the success of the transition plan (see: Risk management) and we will develop an engagement strategy to influence others along the net zero journey (see: Engagement strategy).

Our net zero journey will consist of three key steps: baseline measurement, target setting and business actions (see Figure: 1). More detail on each of these is provided throughout this report.

Our transition plan sets out our FY22 carbon footprint, our decarbonisation strategy (set in 2021), this year's progress and future activities to continue our momentum to meet our long-term climate ambition of net zero emissions by 2035. The future actions required to refine and evolve our transition plan (against the four TCFD pillars) are also explained (see: Future actions). These actions may change over time as our understanding of the climate risks and opportunities we face develops.

Figure 1: Summary of 888's Climate Transition Plan



HOW ARE WE RATED?

We analyse the robustness of our climate-related strategy, risk management and performance via the established, independent global benchmark of the Carbon Disclosure Project (CDP). In 2022, we received a CDP score of 'B-', or 'Management level', for evidence of successfully managing our environmental impact and taking coordinated action on climate issues. This rating exceeded the global average score and was rated higher than the Entertainment facilities sector average score of 'C'. We have also achieved an improved score in the CSA rating of 37 points, up from 26 in 2021. We now sit well ahead of the industry average score of 21 points and this gives us a good platform to build on moving forwards. Additionally, we have retained our membership in the FTSE4GOOD index and an AA rating in the MSCI rating. However, we know we can do more. In 2023, we intend to seek a S&P Global ESG Score, and the results will be incorporated into our strategy to be published next year.

ACQUISITION AND DIVESTMENT ACTIVITY

Since the acquisition of William Hill on 1 July 2022, the Group now provides both digital and retail entertainment. This meant that our carbon footprint expanded during the year.

Historically, William Hill's carbon footprint has been carefully managed and it has already started its journey to net zero. In October 2020, it switched to 100% REGO electricity to source renewable electricity across its UK retail estate, and in May 2022, it achieved its goal to become a certified carbon-neutral business (Scopes 1 and 2) through investments in carbon offsetting projects. In 2022, smart meters for electricity were installed across the UK retail estate to enable the closer monitoring of energy usage and drive down energy consumption. The impact on our carbon inventory from acquiring William Hill's carbon footprint has therefore been reduced. However, William Hill's Scope 3 emissions are still significant (see page 13) and reducing Scope 3 emissions will be a key focus for our transition plan.

888's carbon footprint also contracted after the sale of its bingo business in 2022 albeit this had an immaterial impact on 888's carbon footprint as it involved the transfer of only a small number of employees at two existing sites.

Where we are - 888's FY22 carbon footprint

HIGHLIGHTS

61,906 tonnes



is our FY22 climate footprint across direct (Scope 1), indirect (Scope 2) and value chain (Scope 3) emissions of CO₂e (market-based)

Scope 1 and 2:

3,071

tonnes of CO₂e,
(5% of the total)

Scope 3:

58,835

tonnes of CO₂e,
(95% of the total)

888's total energy consumption has fallen from 2021 (excluding William Hill)

↓15%

IMPACT OF ACQUIRING WILLIAM HILL

Our FY22 climate footprint expanded by 36,286 tonnes of CO₂e (market-based)

888'S PERFORMANCE (EXCLUDING WILLIAM HILL)

Net zero by 2030:

achieve

80%

reduction in Scope 1 & 2 (2019 baseline)



44%

reduction in Scope 1 and 2 (market-based) emissions from 2019 baseline

Net zero target across value chain by 2035

10%

reduction in Scope 3 emissions from 2021



Status:

Net zero targets to be re-baselined in 2023

See Appendix 1: Metrics and targets (Table 4)

BASELINE MEASUREMENT AND DATA PRESENTATION

Baseline measurement is the first step on our net zero journey, in order to obtain a clear picture of the emissions we directly produce or to which we indirectly contribute (see page 27). A significant variety of measurement methodologies is used to capture all our emissions, which are produced by very different sources, such as the energy and refrigerant gas we use to heat and power our offices, retail estate and data centres around the world.

Our carbon footprint experienced a shift this year with the acquisition of William Hill and the sale of 888's bingo business (see discussion below). Due to the timing of its acquisition and divestment activity in 2022, the Group now needs to re-baseline its decarbonisation targets in 2023 and review the interim milestones for the transition plan. Once we have recalculated the baseline, we will review whether to seek third-party assurance of our emissions data and the validation of our targets under a scientific standard, such as the Science-Based Targets initiative. The calculation methodology for Scope 1-3 GHG emissions is contained in Appendix 2 of this transition plan.

The acquisition of William Hill completed on 1 July 2022, and as such, William Hill's GHG emissions data are only consolidated for the period of the Group's ownership; i.e. the six months from 1 July 2022 to 31 December 2022. The Group is choosing to report the emissions data separately for 888 and William Hill to make the emissions comparable to 2021 reporting and to highlight progress against 888's targets set in 2021. 888 also sold its bingo business on 7 July 2022. In this plan, we have presented 888's historical data inclusive of the emissions from 888's bingo business.

888'S FY22 CARBON FOOTPRINT

The total Scope 1-3 emissions for the enlarged Group (including William Hill) is 61,906 tonnes of CO₂e ('tCO₂e') in FY22, with Scope 1 and 2 emissions of 3,071 tCO₂e and Scope 3 emissions of 58,835 tCO₂e (market-based). Our FY22 climate footprint expanded by 870 tCO₂e (Scope 1 and 2, market-based) and 35,416 tCO₂e (Scope 3, market-based) due to the William Hill acquisition.

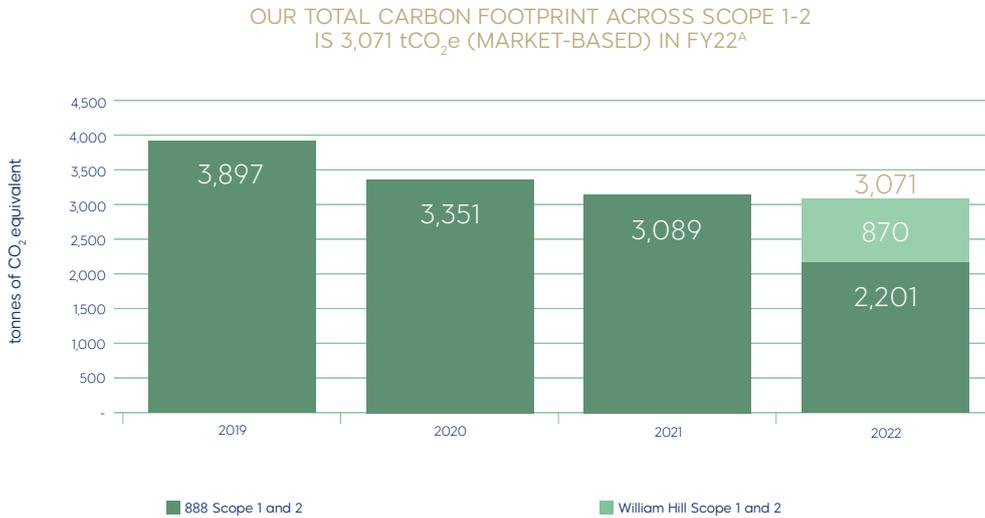
Our historical Scope 1-2 emissions are shown in Figure 2 and our historical Scope 3 emissions are detailed in Figure 3. Scope 3 emissions represent 95% of our total climate footprint, indicating their relative significance in comparison to Scope 1 and 2 emissions. We have analysed our Scope 3 emissions for 888 (excluding William Hill) and William Hill alone further below.

IMPACT OF 888 ACQUIRING WILLIAM HILL

The acquisition of William Hill changed the make-up of our FY22 carbon footprint. For Scope 1 and 2 emissions, using the market-based method, the acquisition had limited impact because William Hill's large UK retail estate is powered by renewable energy and so it has zero Scope 2 emissions. This leaves 870 tCO₂e of Scope 1 and 2 emissions caused by William Hill's international sites (not powered by renewable energy) and emissions from company vehicles and gases etc.

In May 2022, William Hill achieved its goal to become a certified carbon-neutral business for Scope 1 and 2, through its investments in carbon offsetting projects. William Hill's Scope 1 and 2 emissions have therefore been carefully managed. The largest impact from this acquisition is acquiring William Hill's Scope 3 emissions, which are further analysed below.

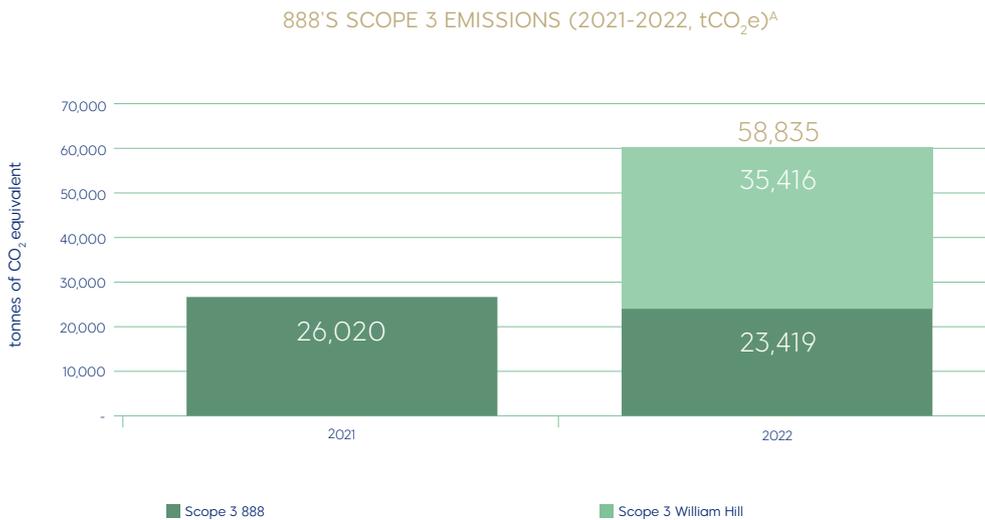
Figure 2: 888's Scope 1-2 historical carbon footprint



^A In 2022, in line with wider Group reporting, William Hill is included within our carbon footprint for this year for the six months from July to December 2022 (since the date of acquisition) but excluded from our forward looking net zero pathway until the targets are reset in 2023. Our FY22 climate footprint expanded by 870 tCO₂e (Scope 1 & 2, market-based) due to the acquisition of William Hill. The emissions from 888 bingo are included in our historical emissions and emissions are calculated using the market-based approach.

^B William Hill is carbon neutral across Scope 1 and 2 emissions (market-based). On a location-based approach, our FY22 climate footprint expanded by 6,045 tCO₂e (Scope 1 & 2) due to the acquisition of William Hill and its large UK retail estate.

Figure 3: 888's Scope 3 historical carbon footprint



^A Scope 3 emissions were calculated for the first time in 2021. William Hill is integrated in to the FY22 footprint for six months since the date of acquisition and the emissions from 888 Bingo are included in our historical emissions. Our FY22 climate footprint expanded by 35,416 tCO₂e (Scope 3) due to the acquisition of William Hill.

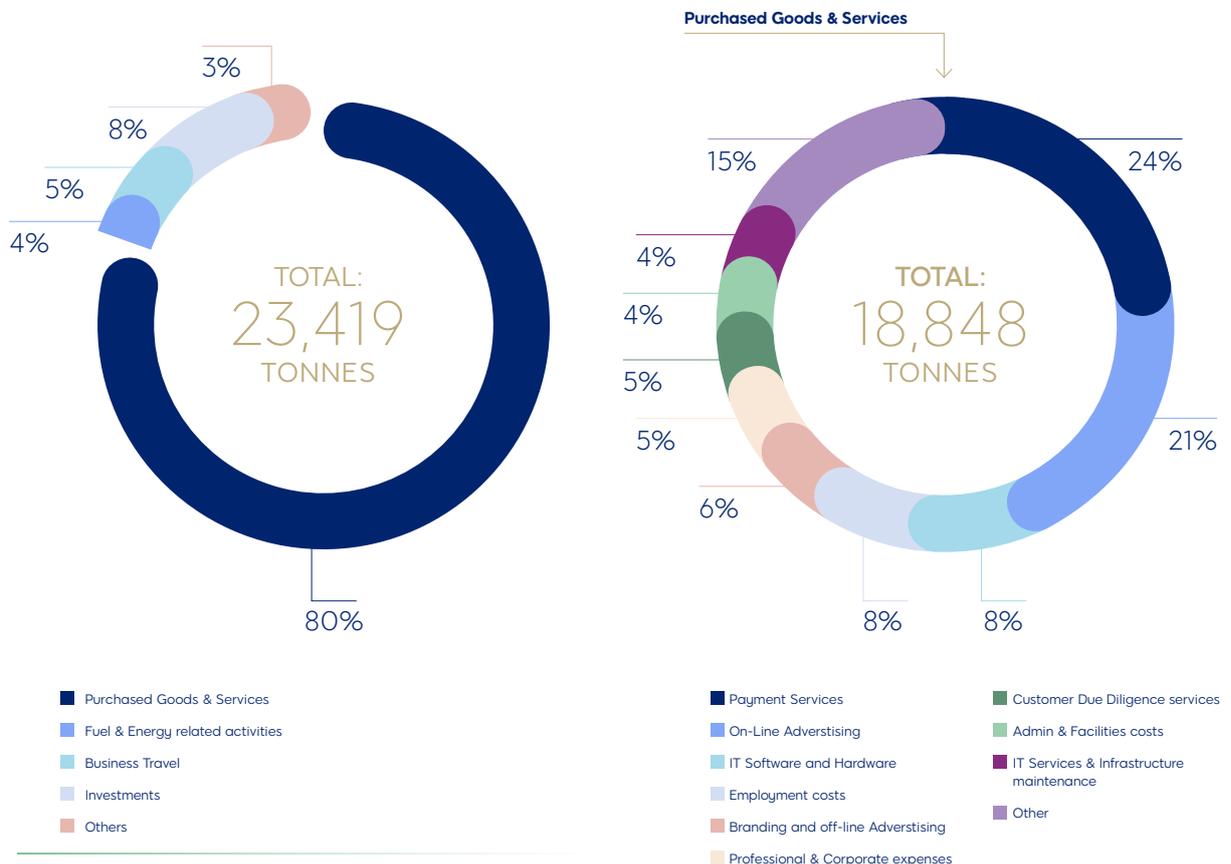
SCOPE 3 EMISSIONS – 888 (EXCLUDING WILLIAM HILL)

Whilst our sphere of influence and control over Scope 3 emissions is more limited, we realise the importance of the role we need to play in reducing GHG emissions across the entire value chain, from the marketing companies that advertise our games through to business travel providers. The most significant Scope 3 emissions sources are Purchased Goods and Services (80% of the total Scope 3 emissions), and Investments and Business Travel (see Figure 4).

Our main supplier emission sources within Purchased Goods and Services are the suppliers who help us to accept payments from our customers (Payment Services) and marketing costs for advertising our games (On-line Advertising and Branding & Off-line Advertising). These are not carbon intensive sectors, but they represent a large proportion of our total spend with third-party suppliers and represent the suppliers who we have the most influence over to encourage a transition to renewable energy and energy efficient equipment. From our supplier engagement activities to date, some of our largest marketing partners are already close to net zero emissions. IT suppliers and those who host the servers and computers on which our games run (third-party data centres and cloud-based services) are also among those we hope to begin to influence to continue progress towards a net zero business model.

The closest relationship we have is with our joint venture partners (Investments), and we will aim to knowledge-share around our carbon reduction best practices and help influence them to set similar net zero targets. Our business travel and employee commuting emissions will also be reduced through our Greener Transport priority in our decarbonisation strategy (see Priority 3).

Figure 4: Scope 3 GHG emissions breakdown – 888 (excluding William Hill, 2022, tCO₂e)^A



^A Market-based method used. Purchased Goods and Services includes Capital Goods. Business Travel is the sum of the emissions for flights, hotels, rail travel, taxi travel, hire cars and employees' grey fleet of vehicles. Other is the sum of Waste generated in operations, Downstream Leased Assets and Employee Commuting.

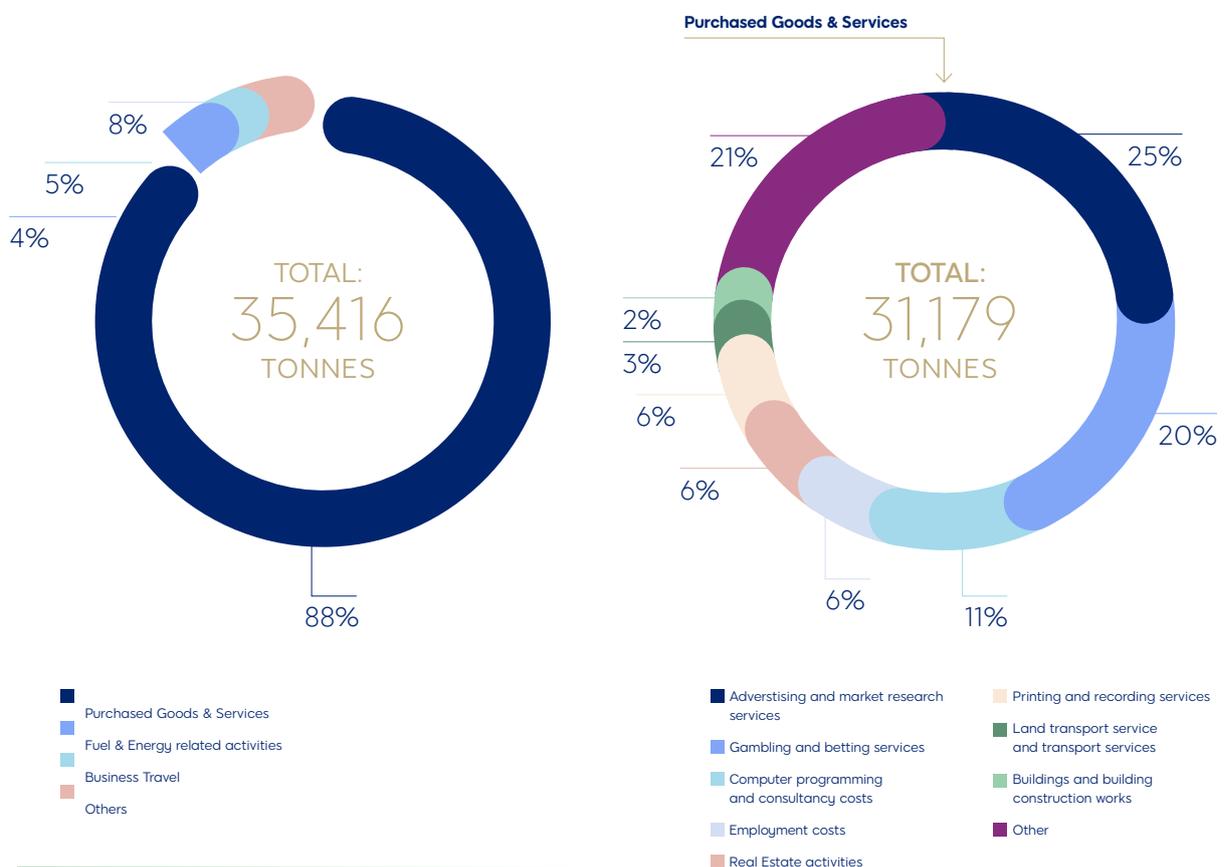
SCOPE 3 EMISSIONS ACQUIRED FROM WILLIAM HILL

The mid-year acquisition of William Hill added 35,416 tCO₂e Scope 3 (market-based) emissions to the Group's existing carbon inventory, and the illustrative impact for FY23 is shown in Figure 8. William Hill has approximately 10,000 employees, 10 global offices and almost 1,400 retail shops. Following the acquisition, the Group's Scope 3 carbon footprint is now associated with owning a large retail estate of shops and includes emissions from courier and transport services to bring goods and services to the shops (Upstream Transportation and Distribution), for real estate activities, and building maintenance activities. Employee Commuting and Business Travel emissions have also increased as a result of now having over 11,000 employees globally.

The material contributors to William Hill's Scope 3 emissions include third-party emissions for Purchased Goods and Services (88% of the total). William Hill's material supplier emission sources within Purchased Goods and Services are similar to 888's for advertising and marketing games, gambling and betting services, and gaming and software development services (see Figure 5). Whilst these sectors are not generally considered to be very carbon intense, William Hill's spend in 2022 was significantly higher within these categories, and it should be able to influence these suppliers along their net zero journey.

Supplier synergies may also be possible as William Hill is integrated further into the Group, which may increase the sphere of influence over suppliers' carbon reduction plans. The procurement team will lead a strategy from 2023 onwards encompassing best practice for driving down emissions both in the Group and the supply chain, as this will be pivotal to us achieving our net zero goals.

Figure 5: William Hill's Scope 3 emissions breakdown (2022, tCO₂e)^A



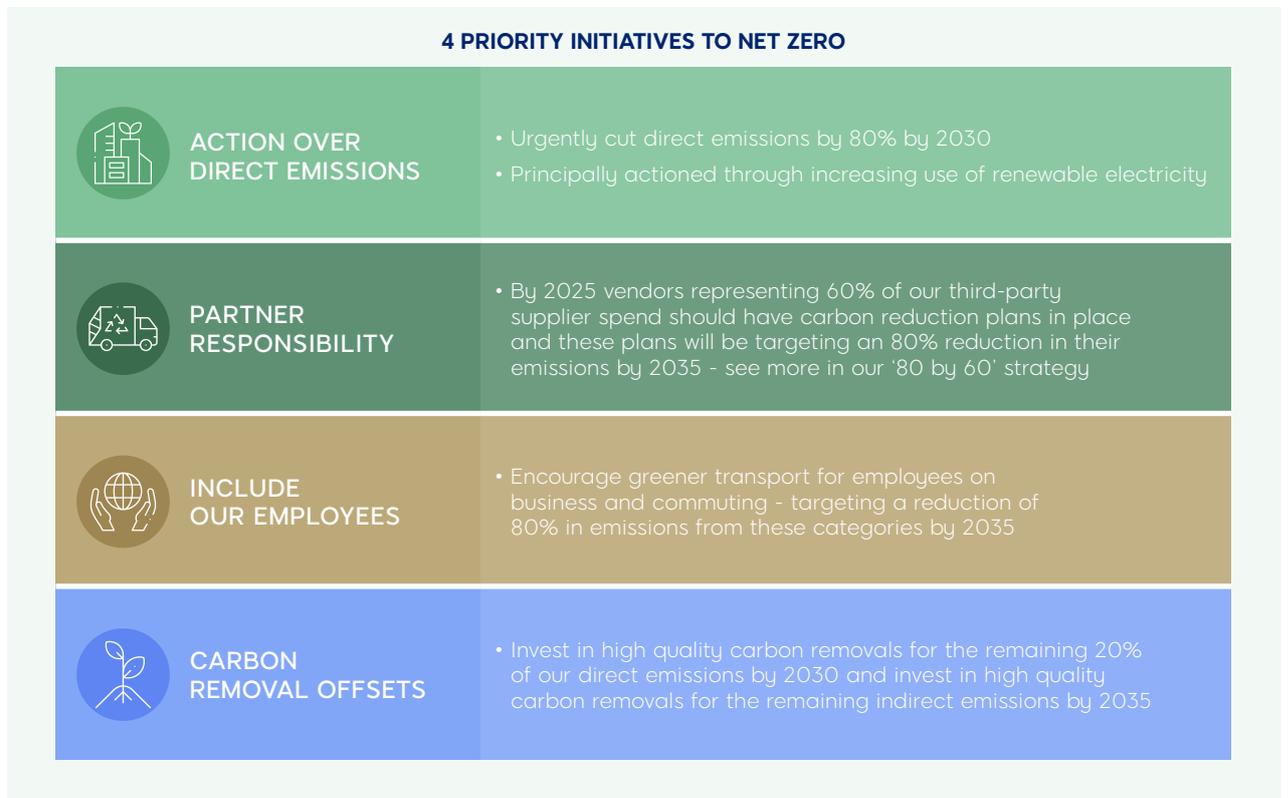
^A Market-based method used. Purchased Goods and Services includes Capital Goods. Business Travel is the sum of the emissions for flights, hotels, rail travel, taxi travel, hire cars and employees' grey fleet of vehicles. Other is the sum of Waste generated in operations, Downstream Leased Assets and Employee Commuting.

Where we are going - 888's decarbonisation strategy

IN 2021, 888 OUTLINED A DECARBONISATION STRATEGY IN THE ZERO CARBON REPORT 2021 (SEE FIGURE 6 BELOW) TO MEET ITS CLIMATE AMBITIONS FOR BECOMING A NET ZERO COMPANY BY 2030 (SCOPE 1 AND 2) AND ACHIEVE NET ZERO ACROSS THE VALUE CHAIN BY 2035 (SCOPE 3). WE BELIEVE THAT THESE TARGETS ARE IN LINE WITH THE AMBITION OF THE 2015 PARIS AGREEMENT.

To deliver these net zero targets, we will apply several business levers across four priorities (outlined in Figure 6). Business as usual activities will also be employed, such as through monitoring energy efficiency.

Figure 6: 888's 2021 decarbonisation strategy, with four priority initiatives.



DATA PRESENTATION – DECARBONISATION PATHWAY

We have not yet fully incorporated William Hill's emissions into our forward-looking decarbonisation pathway to net zero as this work will be conducted in 2023, when the net zero targets are re-baselined. We have therefore included two charts below – modelling 888's decarbonisation pathway to net zero (excluding William Hill) in Figure 7; and William Hill's illustrative pathway in Figure 8 to show the indicative impact of including William Hill's emissions in the plan. Over the course of 2023, we will be fully integrating William Hill's emissions data into the Group's projection models.

In this plan, we have also presented 888's historical data as including the emissions from 888's bingo business (which was sold on 7 July 2022). The forward-looking projections will be adjusted in 2023 to model a view for continuing businesses only within the Group.

Figure 7: 888's decarbonisation pathway (excluding William Hill)

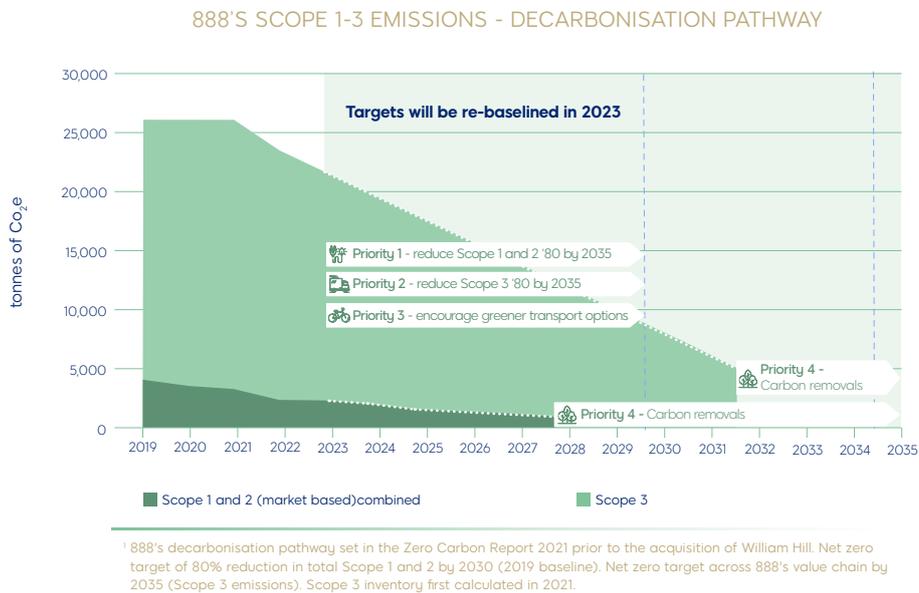
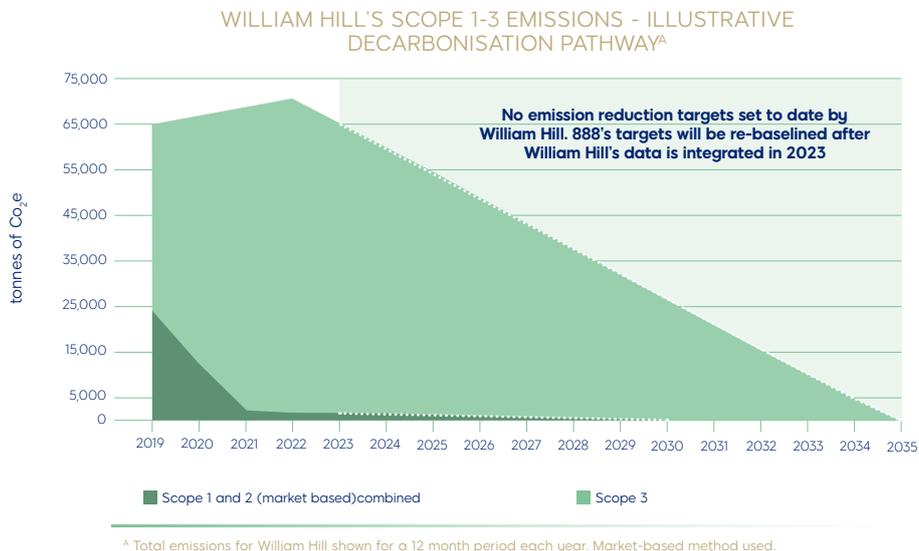


Figure 8: William Hill's illustrative decarbonisation pathway



888's decarbonisation progress and next steps

888 (excluding William Hill) undertook a series of initiatives over 2022 to progress against its decarbonisation priorities. Future activities to continue this momentum are outlined in Table 1.

Table 1: 888's progress against the four decarbonisation priorities and next steps

Priority	2022 Progress	Activities planned in 2023 and beyond
<p>Priority 1: Renewable energy</p>  <p>reduce total Scope 1 & 2 emissions by 80% by 2030 (2019 baseline)</p> <p>Status: 29% reduction from 2021 and 44% reduction from 2019 (market-based)</p> <p>On-going focus area</p> <p>See Table 4 Metrics and targets, Appendix 1</p>	<ul style="list-style-type: none"> Purchasing renewable electricity for the Romania office – renewable energy accounts for only 6% of the total energy we purchase. Installation of meters and better programming of air conditioning units at certain times (according to actual consumption). Shifting to natural gas-based electricity supply for the Israel office through using power purchase agreements. The potential to use solar energy in Israel was explored but the landlord advised this was not currently feasible. Closure of the UK office of 888 to reduce power consumption as staff move into the William Hill offices. 	<p>This priority is an on-going focus area, and Procurement will be leading a strategy from 2023 onwards encompassing best practice in monitoring and driving down emissions for Scope 1 and 2 in the Group.</p> <p>Procurement will assess and aim to source renewable energy in all locations. If cost is prohibitive this will be presented to the ESG Committee of the Board and the CFO for approval. We may consider developing a long-term green energy strategy, to spread out the budget over a longer-time horizon to ensure investment in renewables is maintained and include the option to install on-site renewable energy generation.</p>
<p>Priority 2: '80 by 60' strategy</p>  <p>by 2025 both large and smaller vendors representing 60% of total third-party supplier spend should have carbon reduction plans in place – targeting an 80%–fall in their emissions by 2035</p> <p>Status: 10% reduction in Scope 3 emissions from 2021</p> <p>Acceleration required</p> <p>See Table 4 Metrics and targets, Appendix 1</p>	<ul style="list-style-type: none"> Acceleration is required on this priority as Scope 3 emissions are the largest proportion of our FY22 carbon footprint (which has considerably increased in size since the acquisition of William Hill). Advertising and marketing represent 27% of our total Scope 3 emissions in Purchased Goods and Services, and some of our largest marketing partners are already close to net zero emissions. We will continue to track their progress and revise our progress against targets appropriately. 	<p>To ensure our goal is met, acceleration is required on this priority and Procurement will be leading a strategy in 2023 onwards encompassing best practice in monitoring and driving down emissions for Scope 3.</p> <p>Procurement will directly engage with suppliers to encourage them to collect emissions data, set targets and ensure their businesses support the transition to a low-carbon economy. Where suppliers' plans do not take them to this target, Procurement will engage with them directly to explore actions from 888 that could help; for example, by making changes to purchase specifications or contracts. In selecting future partners in these categories, Procurement will evaluate their 2035 carbon reduction plans as part of the supplier selection process.</p> <p>In the longer-term, Procurement will request emissions data from suppliers and 888 may plan to measure the emissions produced by our suppliers and set reduction targets on these (if feasible). As the transition plan evolves, primary activity data should be collected internally and used in place of spend-based estimates to accurately calculate Scope 3 emissions. Over time, the emissions data availability and quality from suppliers should improve, which will enable us to achieve a more precise measurement of the Scope 3 emissions produced by our suppliers.</p>

Priority	2022 Progress	Activities planned in 2023 and beyond
<p>Priority 3: Greener transport </p> <p>encourage greener transport for employees on business and commuting, targeting a reduction of 80% in emissions from these categories by 2035 (2021 baseline)</p> <p>Status: +260% increase in business travel and employee commuting emissions from 2021</p> <p>On-going focus area</p> <p>See Table 4 Metrics and targets, Appendix 1</p>	<p>Due to COVID-19 restrictions in 2021, there is a significant increase in Business Travel and Employee Commuting emissions this year and reducing these emissions remains an on-going focus area.</p> <p>This year's progress includes:</p> <ul style="list-style-type: none"> • 888 has a small company car fleet in Israel and nearly 50% of the fleet has been switched to electric/hybrid vehicles. • In Israel, nine electric charging points for vehicles installed, as well as providing secure parking spaces for bicycles with electric scooter charging options, and new refurbished showers. • 888 has offered increased options for electric car leasing in Israel. A new car lease plan was communicated to site employees with the lease company proposing funding the installation costs of the employee vehicle charging station at home. 	<p>This priority is an on-going focus area, and future actions to foster the required cultural change include:</p> <ul style="list-style-type: none"> • Review our policies to ensure Greener Travel is embedded across the business, i.e., update travel policies to promote technology over travel, choose travel providers with good sustainability credentials, and keep approval processes strict. • Aim to improve the accuracy of commuting emissions by collecting activity data from employees on their typical commuting practice. • Aim to improve the accuracy of business travel emissions by collecting activity data, such as the mode of transport, distance travelled, fuel type and engine size (for vehicles), in addition to the journey cost. • Encourage the use of electric vehicles and taxis, offering differential mileage rates for employee reimbursement. Consider amending the vehicle fleet policy for new joiners. • Provide facilities for low-carbon travel (bicycles, showers and electric vehicle charging points); and encourage the use of car sharing and public transport.
<p>Priority 4: </p> <p>invest in high quality carbon removal offsets</p> <p>On-going focus area</p>	<ul style="list-style-type: none"> • To be reviewed in 2023. 	<p>In 2023, 888 will develop a formal approach to investing in carbon removal offsets to support the future net zero targets (therefore a metric for carbon removal offsetting is excluded from Table 4 Metrics and Targets, Appendix 1).</p>

Risk management

We will aim to reduce our exposure over time to the downside of the risks arising from the transition to a low-carbon economy through effective risk management supported by our strong ESG governance. The Board has a low appetite for climate-related risks which could have a materially negative impact upon the business, as well as on shareholders, customers, and the wider society. The ESG Committee of the Board will monitor the Group’s performance against the Board’s risk appetite.

CLIMATE-RELATED SCENARIO ANALYSIS

To further understand 888’s exposure to climate risks and opportunities, scenario analysis was undertaken in 2022 to inform the climate strategy and risk management. Through scenario analysis, we considered the potential impact on revenue streams and operating costs across several hypothetical global warming scenarios. The key features of the climate scenarios, as well as the associated scenario analysis results, are detailed in the TCFD report section of our 2022 Annual Report, available on our corporate website. These scenarios will inform 888’s pathway to achieving net zero emissions by 2035.

The key challenges in reaching the net zero targets are summarised in Table 2, building on the risks identified last year in the Zero Carbon Report 2021.

Table 2 Risks to achieving 888’s net zero commitments

Target	Risk	Mitigations
Priority 1: Reduce Scope 1 and 2 emissions by 80% by 2030 	1. Restricted global supply of commercially available renewable energy in key territories.	Stakeholder pressures and government policy is driving rapid increases in renewable energy capacity in many territories. Work closely with commercial energy brokers to secure renewable energy supplies if possible. Use carbon removals for residual emissions in line with Priority 4.
	2. The Group leases many of its offices/buildings and its ability to install renewable energy generation capacity could be restricted by lease terms.	Review commercial lease terms and contract end dates. Engagement with landlords during contract negotiations or consider moving to new locations. Include renewable energy potential in search criteria for all new premises.
	3. High overhead costs to invest in renewable energy globally.	Procurement to assess and aim to source renewable energy in all locations. If cost is prohibitive this will be presented to the ESG Committee of the Board and CFO for approval. 888 could develop a long-term green energy strategy, to spread out the budget over a longer-time horizon to ensure investment in renewables is maintained.

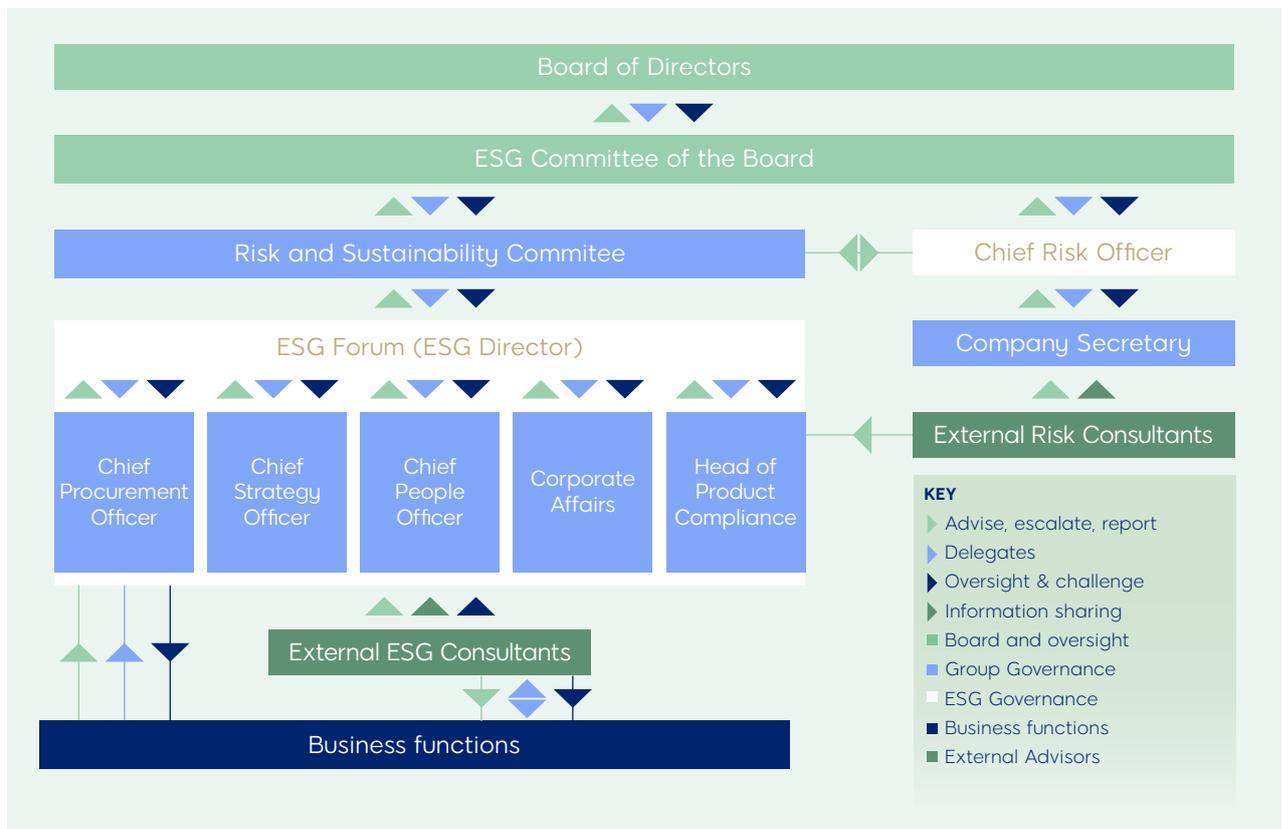
Target	Risk	Mitigations
<p>Priority 2: Reduce Scope 3 emissions by 80% by 2035 using the '80 by 60' strategy</p> 	<ol style="list-style-type: none"> Limited progress on reductions from largest suppliers where 888's sphere of influence is low. Smaller suppliers maybe reluctant to set ambitious emission reduction targets. Suppliers face barriers, such as overhead costs, to secure renewable electricity or other low-carbon fuels. Changes to composition of the supply chain leads to a continually shifting baseline for Scope 3. Data on third party emissions may not be available or high quality. 	<p>Public pressure and government policy is increasing and evolving to support the transition to net zero.</p> <p>Initial audit of 888's largest suppliers in 2021 demonstrated that many have existing carbon reduction plans already in place.</p> <p>Integration of carbon reduction criteria into the Group's procurement processes to provide leverage.</p> <p>Require GHG emissions disclosures from suppliers.</p> <p>Offer partner support to suppliers to identify and source renewables.</p> <p>Share knowledge of energy procurement processes and procedures.</p> <p>Integration of carbon measurement and reduction criteria into 888's procurement processes to continuously collect data on targets and baselines and ensure emissions appropriate new suppliers are selected.</p> <p>Evaluate 2035 carbon reduction plans as part of the supplier selection process and request annual GHG emissions data as part of the procurement procedures.</p>
<p>Priority 3: Encourage greener transport for 888's employees on business and commuting, targeting a reduction of 80% in emissions from these categories by 2035</p> 	<ol style="list-style-type: none"> Availability of zero-carbon transport alternatives for some modes of transport, such as air travel. Availability of low carbon transportation options for employee commuting. 	<p>Encourage the use of video conferencing and review the group-wide travel policy to promoter greener travel and encourage alternative low-carbon forms of travel.</p> <p>Public pressure and government policy is increasing and evolving to support the transition to net zero, which may address public transport requirements.</p> <p>Ensure key staff can work remotely and review the home-working policy to reduce employee commuting.</p>
<p>Priority 4: Secure high-quality carbon removal offsets</p> 	<ol style="list-style-type: none"> Lack of agreement in the definitions and acceptability of 'high quality' carbon offsets. Rise in carbon offset prices due to increased. 	<p>Procurement to monitor options and emerging definitions closely and inform the ESG Forum on the updated position and best options available.</p> <p>Our priority will be to ensure GHG emissions are reduced globally, to minimise overall exposure to carbon offset prices.</p> <p>Financial planning will be developed for the transition plan to include provisions for carbon removals and contingencies as required.</p> <p>Options for the carbon removal offsetting strategy will be reviewed and approved in 2023 by the ESG Committee of the Board.</p>

Governance and disclosure

The Chair of the Board is accountable for, and the ESG Committee of the Board will review the implementation and delivery of, the transition plan. The ESG governance structure, which includes the governance for the transition plan, is outlined in Figure 10 below and in the TCFD Report in 888's Annual Report 2022. Moving forwards executive remuneration in 2023 will be linked to progress against emissions targets.

The ESG and Sustainability Director has executive responsibility for the Group's ESG strategy. The ESG and Sustainability Director leads the ESG Forum, a cross-functional forum, which is responsible for the delivery of the climate transition plan. To ensure that management has the skills and capabilities required to implement the climate transition plan, the ESG Forum utilises a range of external consultants to ensure that the strategy remains appropriate considering changing market and regulatory conditions.

Figure 10: 888's ESG governance organogram



DISCLOSURE

We will report on our performance under the transition plan annually in the TCFD disclosures within our annual reports, as well as via third party platforms like CDP. Due to the dynamic nature of the economy and climate change, the transition plan and underlying scenario analysis will be refreshed every three years or after any material business changes, in line with guidance from the UK Transition Plan Taskforce and the Department for Business, Energy and Industrial Strategy.

FINANCIAL PLANNING FOR THE TRANSITION

Further work is required to assess the costs of implementing the transition plan, such as through the acquisition of carbon removals to reach net zero, and time-bound financial planning for the plan. The performance measurement of the plan, including a trajectory that tracks progress against interim milestones, also needs to evolve.

Engagement strategy

The Board views climate change as a key societal issue and is working hard to ensure the market is confident in its plan to thrive in a low-carbon economy. Decarbonisation of all sectors is critical to the future prosperity of the society and 888 supports this by prioritising decarbonisation for the benefit of the current and future interests of its stakeholders. Please see the Stakeholder Engagement section of 888's Annual Report 2022 for further details of this year's engagement strategy activities.

Future stakeholder engagement on the transition plan may take place with suppliers, customers, lenders, and insurers. The appropriateness of a formal shareholder feedback mechanism will be considered by 888 once the William Hill business has been fully integrated into the transition plan.



Future actions

Priority actions for the transition plan in the short-term (in 2023/24) and long-term may include consideration of the following (see Table 3):

Table 3 Short - and long-term actions for the transition plan

Pillar	Short-term actions (in 2023/24)	Long-term actions
Governance 	Review the appropriateness of the climate-based targets linked to executive remuneration and consider whether additional ESG metrics and targets should be incorporated into executive remuneration.	Review the requirement to receive subject matter expert advice and training to understand the most recent scientific understanding and legislative requirements.
	Update 888's policies and procedures following the acquisition of William Hill to ensure the transition plan is embedded throughout the enlarged organisation.	Review 888's internal culture throughout the transition and wider engagement strategy to engage with industry peers, trade organisations, or the public sector (e.g., regulators and government) on their emission reduction strategies/targets.
	Consider the UK Transition Plan Taskforce's gold-standard guidance for transition plans, announced at COP 27 in November 2022, to refine the plan and review the requirement to obtain third party assurance on the plan.	
	Provide communications/training to all relevant employees to promote the required culture change to implement the transition plan.	
Strategy and risk management 	The scenario analysis output will inform strategic and financial planning cycles moving forward.	Continuously review future investment plans in decarbonisation and transition technologies (if applicable) and evaluate if any energy-intensive or high-carbon assets need to be impaired, written off or retired.
	Develop climate change risk mitigation and adaptation strategies and actions, whilst also considering policies that take advantage of any opportunities identified.	Consider implementing objectives to ensure a just transition and how these principles are embedded throughout each component of the transition plan. Further, consider how nature loss might pose both risks and opportunities for the business in the future as nature and climate changes are inexplicably linked.
	Continue to review the scenario analysis for any potential climate-related risks and opportunities as a minimum, on an annual basis, or more frequently in line with any significant changes to climate science, technology, and legislation.	Consider whether to advance the scenario analysis to consider quantitative scenario analysis, more disorderly climate-change scenarios, or a further detailed analysis into the risks already identified.
		Continue to review the risks identified in the transition plan, and in the scenario analysis, on a regular basis to ensure they are up to date with the most recent scientific understanding and legislative requirements and the mitigation and adaptation actions are appropriate.

Pillar	Short-term actions (in 2023/24)	Long-term actions
<p data-bbox="225 320 368 376">Metrics and targets</p> 	<p data-bbox="424 320 916 416">Integrate the GHG accounting data/methodology and improve the internal MI reporting used to detail progress made against targets. This is also an opportunity to detail data challenges and constraints.</p>	<p data-bbox="963 320 1422 394">Review the requirement to introduce further metrics to track progress in seizing climate-related opportunities and reducing risk exposure.</p>
	<p data-bbox="424 481 924 555">Recalculation of the emissions baseline values for the net zero targets to include William Hill's Scope 1-3 GHG emissions and exclude 888's bingo business emissions.</p>	<p data-bbox="963 481 1318 555">Review whether to obtain third-party assurance over the transition plan and engage with stakeholders for feedback.</p>
	<p data-bbox="424 640 858 736">Develop time-bound financial planning for the transition plan and develop the performance measurement of the plan, including a trajectory that tracks progress against interim milestones.</p>	
	<p data-bbox="424 799 855 918">Review whether to obtain third-party assurance of emissions data and validation over GHG emission reduction commitments (validation of targets under a scientific standard such as the Science-Based Targets initiative).</p>	

Appendix 1

METRICS AND TARGETS

The metrics and targets used to monitor 888's decarbonisation progress are outlined in Table 4 below and the data presented represents only 888's progress (excluding William Hill) on the metrics and targets set in 2021. William Hill's data will be fully integrated in 2023 and the targets re-baselined.

CARBON INTENSITY

We also monitor GHG emissions intensity metrics per turnover to track progress across the business with its net zero commitments, as detailed in the ESG Supplementary Information section of 888's Annual Report 2022. By monitoring this metric across the Group, 888 can target action accordingly to reach the net zero 2035 goal.

Excluding the impact of the acquisition of William Hill, 888's emissions intensity per turnover ratio reduced to 2.53 this year from 4.20 in the prior year due to a 25% reduction in total Scope 1 and 2 emissions (location-based) and a reduction in 888's turnover.

Table 4 888's 2022 progress on the decarbonisation metrics and targets (excluding William Hill)

PROGRESS TRACKING					
Focus	Decarbonisation priority/target	Metric	2022	2021	Movement
Energy 	Priority 1 achieve 80% reduction in Scope 1 & 2 emissions by 2030 (2019 baseline, market-based) and convert offices to renewable energy On-going focus area	Total Scope 1 and 2 emissions (tCO ₂ e) (market-based) (percentage reduction from 2019 baseline of 3,897 tCO ₂ e) ^A	2,201 (44%)	3,089 (21%)	(29%)
		Global energy consumption (kWh) ^B	7,001,279	8,246,662	(15%)
		Global renewable energy consumption (kWh) ^C	421,604	414,800	2%
		% of renewable energy purchased ^C	6%	5%	20%

Focus	Decarbonisation priority/target	Metric	2022	2021	Movement
'80 by 60' strategy 	Priority 2 by 2025 both large and smaller vendors representing 60% of the Group's third-party supplier spend should have carbon reduction plans in place and that these plans will be targeting an 80% fall in Scope 3 emissions by 2035 Acceleration required	Total Scope 3 emissions (tCO ₂ e) ^D	23,419	26,020	(10%)
		Greener Transport 			
	Priority 3 to encourage greener transport for all employees commuting and travelling on business, targeting a reduction of 80% in emissions from these two categories by 2035 (2021 baseline) On-going focus area	GHG emissions for Business Travel and Employee Commuting (tCO ₂ e) ^E	1,625	440 (2021 baseline)	+269%
		Business Travel and Employee Commuting as a % of Total Scope 3 emissions ^F	7%	2%	+250%
		% of company car fleet that is electric/hybrid ^F	47%	No data	N/a
		Number of electric vehicle charging points installed ^G	9	No data	N/a

^A All figures reported under the GHG Protocol. The acquisition of William Hill completed on 1 July 2022. The Group is choosing to report the emissions data separately for 888 (excluding William Hill), to make the emissions comparable to 2021 reporting and to highlight progress against targets. The enlarged Group's targets will be re-baselined next year to reflect the acquisition of William Hill and the divestment of 888's bingo business. The market-based method is used for Scope 2 data. On a location-based approach, total Scope 1 and 2 emissions are 2,330 tCO₂e. The material drivers for reducing Scope 1 and 2 emissions on prior year are the re-classification of emissions to Scope 3 for subletting part of the Israel office, reduction in energy use in Gibraltar, cessation of the UK data centre, and a reduction in energy supplied to European data centres.

^B Total energy consumption (kWh) for 888's offices (excluding William Hill), data centres and transport. Antigua office closed in mid-2021 and the UK office and data centre closed in 2022. Six global offices in 2022.

^C Renewable energy options have been explored for the Israel office, but solar power is not feasible therefore a decision was made to shift to a natural gas-based electricity supply through using power purchase agreements. Romania office switched to renewable energy in 2021 (five other 888 offices are not currently powered by renewable energy). Estimated energy consumption data in December 2022.

^D Scope 3 emissions were calculated using the GHG Protocol Corporate Value Chain. The 10% reduction in Scope 3 emissions from prior year is due to a reduction in spend with high emitting suppliers, updated emission factors used in the GHG calculations, and joint venture revenues decreased therefore emissions from our Investments fell by 325 tCO₂e.

^E 888's 2022 Scope 3 emissions for Business Travel, (1,121 tCO₂e) and Employee Commuting (504 tCO₂e). Other Scope 1 and 2 emissions associated with fuel and company cars are immaterial and are not included. This will be reviewed next year after the acquisition of William Hill. The calculation method for Employee Commuting emissions was updated this year to include all of 888's six global offices. In 2021, Employee Commuting emissions had only been calculated for the Israel office, 200 tCO₂e, and emissions for Business Travel were 240 tCO₂e.

^F Total company cars in 2022: 45 in total (2 in Gibraltar and 43 cars in Israel but only Israel offers the car lease plan - 14 are hybrid and 7 are full electric vehicles, total of 21). No data available for 2021.

^G Data for Israel office only where the company car lease scheme is offered. No data available for FY21.

Appendix 2

METHODOLOGY FOR CALCULATING GHG EMISSIONS

The terms 'GHG emissions' or 'emissions' used in this plan refer to GHG emissions as required for a GHG inventory. This includes the six GHGs covered by the Kyoto Protocol calculated in mass of carbon equivalent (CO₂e) or tonnes of CO₂e ('tCO₂e'): carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFC) and sulphur hexafluoride (SF₆).

888 adopts the operational control approach under the GHG Protocol, limited to sites where it or one of its subsidiaries has complete authority to create and apply operating policies, and all equipment and activities are controlled by 888 or its subsidiaries, and the associated emissions therefore must be consolidated.

The organisational and operational control boundary for the Group experienced a shift this year with the acquisition of William Hill on 1 July 2022, and the sale of 888's bingo business, which completed on 7 July 2022. The GHG emissions resulting from the energy consumption at William Hill's facilities and its business transport activities have been assessed and consolidated into the Group. William Hill's GHG emissions are pro-rated and only consolidated for the period of 888's ownership, for the six months from 1 July 2022 to 31 December 2022. It is acknowledged that the pro-rata method ignores the seasonality of the underlying data.

Due to the timing of the mid-year acquisition and data processes involved in the calculations, the transition plan discloses the GHG emissions calculation methodology used by 888 and William Hill separately. The calculation methodology will be aligned and updated in 2023 to reflect this acquisition.

Due to reporting timelines, data for November and December 2022 have been estimated using extrapolation based on monthly average spend, emissions or consumption, except where actual data was already available.

SCOPE 1 AND 2 CALCULATION METHODOLOGY

888'S METHODOLOGY (EXCLUDING WILLIAM HILL)

888's Scope 1 emissions from vehicles, gas and refrigerant gasses are measured using actual data and calculated using emission factors from the UK Department for Environment, Food and Rural Affairs (DEFRA). For vehicle fuel for company vehicles, in prior years data was supplied on fuel purchased using company cards, converted to CO₂e using DEFRA conversion factors for petrol and diesel. No actual data is available this year, and the figure is very small, so the 2021 figures have been repeated for 2022.

Scope 2 emissions for the purchased energy consumption in offices and data centres are calculated using site energy (actual or estimated) consumption and International Energy Agency (IEA) grid conversion factors for each country. The consumption for the European servers is aggregated and converted using the grid conversion factor for Ireland, as this represents the largest site (95% by company estimate). The UK grid conversion factor comes from DEFRA; for all other countries it is derived from

IEA data. Where electricity is supplied under low-carbon tariffs, alternative emissions factors have been substituted as appropriate. Electricity supply to the Romanian office is 100% renewable and a conversion factor of zero has been applied for market-based emissions. The Romanian office energy supply is the reason for the reported difference between Scope 2 location-based and market-based emissions. See the Zero Carbon Report 2021 (Appendix) for 888's FY21 calculation methodology.

WILLIAM HILL'S METHODOLOGY

William Hill's Scope 1 and 2 emissions are calculated using the GHG Protocol. Scope 2 emissions are calculated using site energy consumption and a third-party advisor's country specific emissions factors. Where international emissions factors are used for sites outside of the UK, these are sourced from AIB, IEA and country specific reports. William Hill records the electricity used at each UK retail site every month, converting it to carbon equivalents using UK emissions factors from the Department for Business, Energy & Industrial Strategy. Emissions from heat and refrigerant gasses are measured using actual data from suppliers and converted using the third-party advisor's emission factors. William Hill procures renewable energy for its UK sites only and the location-based and market-based emissions are reported.

SCOPE 3 CALCULATION METHODOLOGY

In calculating our Scope 3 emissions we have followed the principles of the Corporate Value Chain (Scope 3) Accounting and Reporting Standard, and we endeavour to improve the data quality and methodology for calculating our Scope 3 emissions in the future. Categories: 1,2,3,4,5,6,7, 13 and 15 are included (see Table 5 below). 888 has excluded several categories because they are not relevant due to the nature of 888's business. 888 does not produce any physical products, so the following categories are not relevant:

- **Category 9: Downstream Transportation & Distribution**
- **Category 10: Processing of Sold Products**
- **Category 12: End-of-Life Treatment of Sold Products**

NB: emissions associated with customers playing 888's games are included in Category 11. 888 recognise that the emissions related to the use of our games will be significant and therefore should be included in our Scope 3 inventory according to the GHG Protocol. We have not yet been able to gather data on this category, and therefore are unable to report on it this year. We will aim to collect the necessary data and report on this category in future years.

The following categories are not relevant for other reasons:

- **Category 8: Upstream Leased Assets.** All emissions related to our upstream leased assets are accounted in our Scope 1 & 2 emissions.

Due to reporting timelines, data for November and December 2022 have been estimated using extrapolation based on monthly average spend, emissions or consumption, except where actual 2022 data was already available.

For 888, there has been a change in the assumptions for Category 7 for employee commuting this year compared to the Zero Carbon Report 2021. This is because the figures had been calculated for the Israel office only. In 2021, there was no significant commuting to other offices, which were principally closed throughout the year due to the COVID-19 pandemic. This method has changed this year as outlined in Table 5 below.

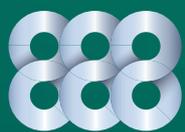
William Hill calculated its Scope 3 emissions for the first time in 2022 and the baseline year is 2021. William Hill's 2022 and 2021 Scope 3 emissions are reported in the ESG Supplementary Information section of 888's Annual Report 2022.

Table 5: Scope 3 calculation methodologies for 888 and William Hill

Scope 3 category	Scope 3 calculation methodology 888 (excluding William Hill)	William Hill
<p>Purchased Goods and Services</p> 	<p>The figure is calculated using a mixture of actual supplier returns from our largest suppliers supplemented by a finance-based analysis based on our 2022 Operating Expenses (OpEx).</p> <p>Supplier returns: Our largest areas of external third-party supplier spend are:</p> <ul style="list-style-type: none"> • Online advertising: Platforms that serve advertising on our behalf to customers. • Branding and offline advertising: Conventional design, creative and advertising services including events and conventional media (TV and Radio). • Payment services: Commissions to organisations who handle player payments on our behalf, including the checks we perform to keep players safe. • Marketing Affiliates: Organisations or individuals who promote 888's business using their own platforms and to whom we pay fees. <p>During 2021, we conducted an analysis of these categories based on the actual vendors used in each. Their corporate 2021 Scope 1,2 and 3 emissions were collected (either via a data request or from published sources). These figures were divided by reported revenues to produce company-specific emissions intensity figures which in turn were weighted using 2021 expenditure to calculate a category-specific emissions factor. These 2021 category factors have been re-used in 2022 to convert 888's external spend into emissions data.</p> <p>The category of marketing affiliates was treated differently; these are usually single individuals (journalists, bloggers etc) or other microbusinesses. We estimated emissions associated with this group using a 'per capita' average (https://data.worldbank.org/indicator/EN.ATM.CO2E.PC), taking a mix of UK and US residents. The resulting figure is a very small proportion of the total. We also gathered actual data for Cloud services, as this was readily available, and grossed it up to cover total expenditure in this category.</p> <p>Financial analysis: Our OpEx for 2022 was reviewed and clustered into categories based on the industrial sector of the supplier. This expenditure was then converted into carbon emissions using the sectoral average figures published by the UK Department for Environment, Food and Rural Affairs (DEFRA) 2019. (Reference: https://www.gov.uk/government/statistics/uks-carbon-footprint#full-publication-update-history. Conversion factors by SIC code 2019, updating Table 13).</p>	<p>The emissions of several sources included under Purchased Goods and Services were calculated using activity data where readily available e.g., water consumption and wastewater treatment (m³) and purchased IT hardware (supplier-specific data).</p> <p>All emissions associated with Purchased Goods and Services that are not calculated using activity data are calculated using spend-based conversion factors published by Defra 2019 for consumption emissions by Standard Industrial Classification of Economic Activities (SIC). These factors are multiplied with the company's supply chain expenditure data. This method of calculation was selected as a government recognised approach and uses data which is easily obtainable for the client, particularly when direct monitoring of data from suppliers is either unavailable or prohibitively expensive to obtain.</p>
<p>Capital Goods</p> 	<p>The emissions associated with these categories have been estimated based on our 2022 Capital Expenditures (CapEx). Suppliers have been grouped into categories based on their industrial sector (information services, furniture, computer products etc) and the total spend for each category recorded. This expenditure was then converted into carbon emissions using the sectoral average figures published by DEFRA 2019.</p>	<p>The emissions from Purchased Goods and Services includes emissions from Capital Goods. See method for Category 1 – Purchased Goods and Services.</p>

Scope 3 category	Scope 3 calculation methodology 888 (excluding William Hill)	William Hill
<p>Fuel & energy-related activities</p> 	<p>This category includes the upstream emissions of purchased fuels and electricity; and the transmission & distribution losses related to purchased electricity. We have calculated these emissions based on the energy use data collected for Scope 1 & 2 reporting (see above) and emission factors supplied by DEFRA and the IEA.</p> <p>Well-To-Tank</p> <p>The emissions for Well-To-Tank (WTT) have been calculated for fuels, UK, and overseas electricity) and the IEA emissions factors have been used. (Reference: https://www.iea.org/data-and-statistics/data-product/emissions-factors-2022 2022 adjustment for transmission and distribution losses induced emissions).</p>	<p>The emissions from the transmission and distribution of electricity have been calculated for all electricity consumption (kWh) included in Scope 2. This has been calculated using conversion factors published by DEFRA.</p> <p>Well-To-Tank</p> <p>The emissions from Well-to-Tank (WTT) have been calculated for all relevant emissions sources. The DEFRA emissions factors have been used to calculate the upstream emissions for fuels and energy. The emissions factors include an average of all GHG emissions released in the production, processing and delivery of fuels or energy.</p>
<p>Upstream Transportation & Distribution</p> 	<p>N/a</p>	<p>See method for Category 1 – Purchased Goods and Services.</p>
<p>Waste Generated in Operations</p> 	<p>888 generates small amounts of office, IT, and catering waste. The carbon emissions associated with this have been estimated using the 2022 DEFRA conversion factors for UK waste. (Reference: https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2022 Waste disposal)</p>	<p>Where data for waste was available (UK retail sites only) this was used to calculate emissions based on waste type, quantity (tonnes) and disposal route. For sites where data was not available an estimate using available data as a proxy was used. This estimated waste generated annually per employee per waste type. The DEFRA emissions factors have been used to calculate the emissions from waste.</p>
<p>Business Travel</p> 	<p>These emissions have been calculated based on actual data obtained from travel providers and including all air travel, and financial spend data on expensed travel in private cars and taxis. For air travel, we have converted distance travelled using the appropriate emissions factors supplied by DEFRA 2022 (Reference: https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2022 Business travel- air).</p> <p>For expensed travel in private cars and taxis, we have converted spend data using the sectoral average figures published by DEFRA table 13: Indirect emissions from the supply chain.</p>	<p>Activity data was provided detailing the mode of transportation used for business travel (e.g., air, rail, car) and the distance travelled or cost (either per journey or annual total). Cost was provided for grey fleet fuel consumption (grey fleet) and used to estimate litres of fuel, based on a UK average annual fuel price (pence per litre) published by the AA.</p> <p>For all other travel where cost data was provided, total mileage was estimated based on the average cost per mile sourced from published statistics per mode of transport.</p> <p>The DEFRA emissions factors have been used to calculate the emissions for all modes of business travel.</p>

Scope 3 category	Scope 3 calculation methodology 888 (excluding William Hill)	William Hill
<p>Employee Commuting</p> 	<p>Employee commuting emissions have been calculated using real data for the Israel office. Israel is our second largest office by headcount after Romania. We gathered home addresses for all employees, calculated the distance between each address and the office, tracked the actual number of days that each employee arrived at the office; and estimate that 75% of employees travel to work by private car based on monitoring of parking places used and total number of employees arriving to the office. We then arrived at a total distance travelled for employee commuting by private cars and public transportation in Israel.</p> <p>For private cars, we converted the total distance travelled using the average car, unknown fuel emission factor from DEFRA 2022 (Reference: Business travel- land). For public transportation, we assumed that 92% of public transport trips are made by bus and 8% by train in Israel, based on publicly available statistics. We converted 92% of the total distance travelled by the average local bus emission factor and 8% by the national rail factor from DEFRA 2022 (reference: Business travel- land).</p> <p>For offices based in Ireland and USA, we assumed similar patterns of commuting to that of Israel, i.e., three-quarter by private car. Therefore, we used the estimate of per employee commuting emissions intensity for Israel to calculate the total commuting emissions of the Ireland and USA offices using their total headcount.</p> <p>For Romania, Spain, and Gibraltar, we used a simple estimate of average commuting distances for these city centre offices, together with the total headcount for these offices, to arrive at a total distance travelled for employee commuting. We converted 50% of the total distance travelled by the average local bus emissions factor and 50% by the national rail factor from DEFRA 2022 (reference: Business travel- land).</p>	<p>Emissions from commuting were estimated using publicly available Census data published by the United Kingdom Government, broken down into local authorities and business sector averages. Average commuting distances per person per mile are further established from data provided by the Office for National Statistics (ONS). This is then weighted to the U.K. average and aligned through percentage change for each area and sector, to coincide with that of the area(s) and sector(s) your business operates in.</p> <p>The UK is used as a proxy for international sites due to the limited availability of data for all international countries. The estimation approach gives an indication of potential emissions associated with commuting, but activity data should be obtained to accurately assess employee commuting behaviours in future.</p>
<p>Downstream Leased Assets</p> 	<p>A small area of the Israel office is sub-let. The electricity consumption for this space is separately metred and calculated using the IEA emissions factor for Israel.</p>	<p>N/a</p>
<p>Investments</p> 	<p>We have joint ventures with certain games and betting providers which provide games that 888 offers to customers. We calculated this figure by converting expenditure with 888's own Scope 1, 2 and 3 emission intensity per revenue, used as a proxy for the emissions intensity of these games and sport providers, the operations of which are similar in nature to those of 888 itself.</p>	<p>The emissions associated with investments are calculated based on investment type (equity) and the emissions published by the investee company for its 2021/22 reporting period. The total emissions are apportioned based on William Hill's percentage share of equity in the investee company.</p>



HOLDINGS