

Carbon Emissions Reporting Framework for Australian and New Zealand Entities

ISO 14064-3 Compliant Environmental Data Collection and Verification Protocol

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1. EXECUTIVE SUMMARY

This methodology framework establishes standardized procedures for the annual collection, calculation, and verification of organizational carbon footprint data at Entain in accordance with ISO 14064-3 requirements. The framework ensures systematic data gathering across all operational scopes to support accurate greenhouse gas reporting and third party verification processes.

Basis of Reporting

This framework establishes the basis for Entain's carbon emissions reporting, emphasizing the need for higher detail regarding emissions calculations in the Australian context. It is critical for meeting AASB compliance, particularly for AASB S2. All the emissions are calculated and reported in tonnes of carbon dioxide equivalent (tCO₂e). This document outlines a comprehensive approach to carbon emissions reporting for Entain's operations in Australia and New Zealand, focusing on compliance with AASB standards and alignment with the GHG Protocol. Entain's reporting year is aligned with our Financial Year, which follows the calendar year (from January 1 to December 31).

Reporting Boundary

The reporting boundary is defined as all entities under the operational control of LB Australia Holdings Pty Ltd (henceforth referred to as "Entain ANZ"). A detailed breakdown of these entities has been attached as Appendix at the end of this document.

Regulatory Compliance and Standards

- **AASB Alignment:** The framework ensures compliance with AASB standards while increasing specificity for Australian operations.
- **GHG Protocol Compliance:** The GHG Protocol will serve as the primary standard unless an Australian specific protocol is designated.

The emission calculations and assurance will be finalized and lodged with ASIC simultaneously with the preparation of financial statements, and then presented in the Entain ANZ ASRS statement and consolidated into the Entain Group GHG inventory.

Entain's Climate Related Targets

Entain Group has set the following science-based near-term GHG reduction targets (not verified by SBTi):

- Reduce Scope 1 and Scope 2 GHG emissions by 42% by 2030 from 2023 base year
- Reduce Scope 1 and Scope 2 GHG emissions by 90% by 2035 from 2023 base year

Achievement of the Group targets will require corresponding actions by subsidiary companies, including Entain ANZ.

GHG Footprint Calculation Methodology

Entain reports its carbon emissions in line with the operational control boundary which, defined by the Greenhouse Gas Protocol, includes all sources of environmental impact over which we have operational control. For all reported emissions, we have included impacts that fall within the reporting scope, as described below.

We divide our emissions into three main categories: Scope 1, Scope 2, and Scope 3. Scope 1 refers to direct GHG emissions occurring from sources that are owned or controlled by us, e.g. boilers and fleet vehicles. Scope 2 includes indirect GHG emissions associated with the purchase of electricity, steam, heating or cooling. Scope 3 includes indirect emissions from our value chain, including but not limited to, products and services procured, business travel, waste generated and employee commuting. Each category is explored in more detail below. We follow the Greenhouse Gas Protocol's Corporate Standard guidance for calculating our GHG footprint, which can be found here: [GHG Protocol Corporate Standard](#).

In order to calculate our GHG footprint, we use [Normative](#) as our partners, this activity data is combined with the relevant emissions factor, from credible sources like the [National Greenhouse Accounts Factors \(NGAF\)](#) for Australia, [Ministry for the Environment Emissions Factors \(MEEF\)](#) for NZ or [IEA](#), to calculate the associated GHG footprint. This aligns with [AASB S2](#) paragraph B29, which requires the use of emissions factors that best represent the entity's activity. Where possible, we use primary activity data. If this is not available, we use spend-based and revenue-based methods as specified in the GHG protocol. In case of limited or unavailability of any primary data, we use and document assumptions, estimations and extrapolations to fill those gaps.

Most suppliers' spend data is converted to emissions using the relevant emissions factor within our carbon footprint platform, Normative. Where time and resources permit, we perform hybrid calculations that combine emissions factors with suppliers' own primary Scope 1, 2 and 3 data and annual revenue. This approach allows us to more accurately apportion Entain's spending with each supplier to their associated carbon output, representing a more precise and mature reporting method

Emissions Detail

Entain reports all material scope 1, scope 2, and scope 3 GHG emissions and uses the GHG Protocol to define our scope 1, 2 and 3 emissions sources, with a summary of related activities provided in table below.

Scope of Emission	Emission Source	Explanation
Scope 1	Mobile Combustion	Fuel used for the vehicle that we own and operate e.g. diesel, petrol
	Stationary Combustion	The combustion of fuels for our own use e.g. natural gas used in boilers for heating or diesel burned in generators
	Fugitive Emissions	Refrigerant leakage from air conditioning and refrigeration systems across all sites
Scope 2	Purchased or acquired electricity, heat, steam and cooling	Electricity, heat or cooling used in business operations.
Scope 3	Purchased Goods and Services	Emissions from goods & services purchased by Entain. Spend falls under various categories including content, marketing, technology, corporate services and property & retail operations.
	Capital Goods	Extraction, production, and transportation of capital goods purchased or acquired by the reporting company in the reporting year
	Fuel and Energy Related Activities	Upstream emissions (from extraction and transportation) of purchased electricity and fuel, electricity transmission and distribution losses.
	Upstream Transportation and Distribution	Emissions from third-party transportation & distribution services purchased by Entain
	Waste Generated in Operations	All emissions from third- party disposal and treatment of waste generated from Entain's operations.
	Business Travel	Emissions from the transport of employees for business- related activities in vehicles owned or operated by third parties.
	Employee Commuting	Transport of employees between their homes and their work at the various Entain location
	Upstream leased assets	Operation of assets leased by the reporting company in the reporting year and not included in scope 1 and scope 2 reported by lessee
Downstream transportation and	Transportation and distribution of products sold by the reporting company in the reporting year between the reporting company's operations and	

	distribution	the end consumer (if not paid for by the reporting company), including retail and storage (in vehicles and facilities not owned or controlled by the reporting company)
	Processing of sold products	Processing of intermediate products sold in the reporting year by downstream companies (e.g., manufacturers)
	Use of sold products	End use of goods and services sold by the reporting company in the reporting year
	End-of-life treatment of sold products	Waste disposal and treatment of products sold by the reporting company (in the reporting year) at the end of their life
	Downstream leased assets	Operation of assets owned by the reporting company and leased to other entities in the reporting year, not included in scope 1 and scope 2 reported by lessor
	Franchises	Operation of franchises in the reporting year, not included in scope 1 and scope 2 – reported by franchisor
	Investments	Operation of investments (including equity and debt investments and project finance) in the reporting year, not included in scope 1 or scope 2

Operational Boundary

Entain Australia has presence in Australia where we have one head office, six regional offices, one storage unit and a recording studio while retail business is operational in New Zealand where Entain has 44 retail shops and seven offices.

Such operations introduces certain limitations to our operational control over the various sites we manage. Despite our control over most of the locations, challenges arise. For instance, utilities management under lease agreements restricts our access to primary data required for footprint calculations.

Consequently, we might rely on estimates or assumptions to supplement our data, which may impact the precision of our environmental reporting. These assumptions could include extrapolation of available data to cover for any missing site or period.

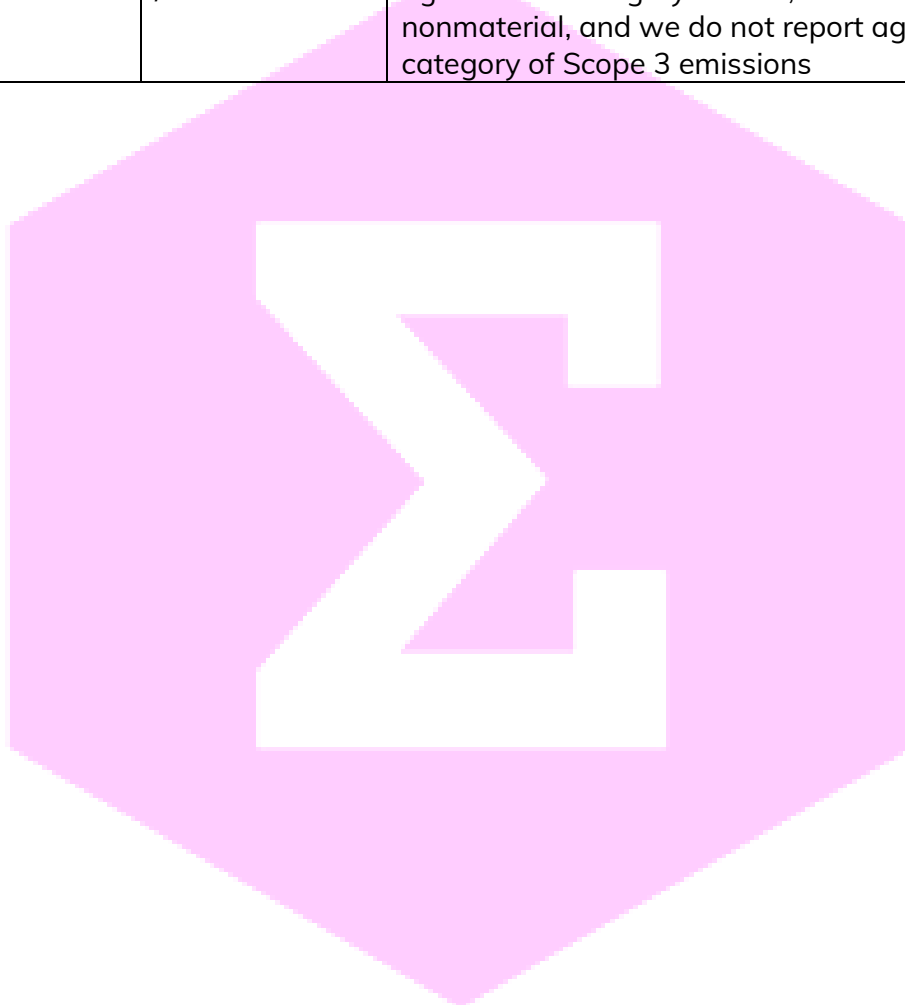
Additionally, any expansion or divestment in business operations, whether through mergers and acquisitions (M&As) or the sale of a business, is taken into account. Changes in operational boundaries resulting from these activities are considered when calculating our carbon footprint, ensuring our environmental reporting remains accurate and reflective of our current operational landscape.

With that explanation, here is the detailed breakdown.

Scope of Emission	Status	Methodology
Mobile Combustion	Calculated	<p>Distance and fuel consumption data is provided by fleet vehicle leasing company.</p> <p>Mobile combustion emissions are calculated from the volume of fuel used. If fuel consumption data is unavailable, we use mileage or fuel expenditure data as alternatives.</p> <p>We prefer to obtain volume data for this category; if volume data cannot be captured, we record energy, distance travelled, or cost data, as supported by the Normative platform.</p>
Stationary Combustion	Calculated	Natural gas consumption reported from invoice data and the fuel consumption from on-site generators
Fugitive Emissions	Not Calculated	We do not have direct control over the Aircon units in our shops and offices. These assets are managed by landlords, and we do not get any data from them.
Purchased or acquired electricity, heat, steam and cooling	Calculated	<p>Electricity consumption reported from metred or invoice data. We get Normative output for both market & location-based emissions.</p> <p>If direct data is unavailable for any site or a specific time, we cover that with the extrapolation of available data. The gaps are estimated by either using actual data from similar sites and creating a benchmark based on floor area or headcount or, if this is not suitable or possible, Normative offers an option to use Floor Area for this category.</p>
Purchased Goods and Services	Calculated	Spend data collection is conducted through two channels: first, from Procurement's spend analytics platform PowerBI, which ingests data from our source-of-truth financial platform Oracle; second, from off-platform entities and their respective financial platforms.
Capital Goods	Not Calculated / Excluded	This category has been nonmaterial to Entain operations. Therefore, we do not report these emissions.
Fuel and Energy Related Activities	Calculated	Normative uses the latest conversion factors from sources like MEEF, NGAF & IEA to calculate the upstream emissions in this category.
Upstream Transportation and Distribution	Calculated	Our approach involves categorizing suppliers using a level-3 taxonomy, wherein those identified under the 'logistics' category are included in Category 4 for our Oracle-based spend, an area where we possess more comprehensive data and knowledge. Spend data is systematically mapped to the Procurement

		<p>department's taxonomy, a process that is inherently dependent on the accuracy of local in-market supplier mappings.</p> <p>Recognizing the challenges posed by off-platform entities, which may record suppliers differently or in another language, our methodology prioritizes the taxonomy mapping accuracy for large spend categories.</p>
Waste Generated in Operations	Calculated	Waste stream categories encompass General waste, Dry Mixed Recycling DMR, and Specialized waste streams. Data requirements include annual tonnage by waste category, disposal route classification, recycled materials, and energy from waste.
Business Travel	Calculated	<p>We rely on different sources globally to share all the year long travel data booked from central platforms and local agencies etc.</p> <p>We prioritize gathering distance-based data. In case of its unavailability, we can use fuel energy, origin & destination or cost data as Normative supports these methods. This data includes the details like vehicles booked, their size & fuel type. Trains or Flight booking are also gathered in this process.</p>
Employee Commuting	Calculated	<p>We have made conservative assumptions to estimate Category 7 emissions due to the unavailability of direct data.</p> <ol style="list-style-type: none"> 1) Given that the majority of employees participate in retail operations and Entain priorities hiring shop staff from local areas, we assume that all group employees travel 5 miles per day. 2) Employee commuting is modelled across multiple transport modes. To derive an average across modes, we allocate equal shares to each mode as follows: 20% by trains, 20% by cars (average sized hybrid), 20% by bikes (average sized), 20% by buses, and 20% by walking.
Upstream leased assets	Not Calculated	Entain does not have any upstream leased assets. Hence, this category remains nonmaterial, and we do not report against this category of Scope 3 emissions.
Downstream transportation and distribution	Not Calculated	<p>Entain does not create or process any physical products which need to be transported or distributed downstream.</p> <p>Hence, this category remains nonmaterial, and we do not report against this category of Scope 3 emissions</p>
Processing of sold products	Not Calculated / Excluded	Entain does not create or process any physical products. Hence, this category remains nonmaterial, and we do not report against this category of Scope 3 emissions
Use of sold products	Not Calculated / Excludes	Entain does not sell any physical products. Hence, this category remains nonmaterial, and we do not report

		against this category of Scope 3 emissions
End-of-life treatment of sold products	Not Calculated / Exclude	Entain does not sell any physical products. Hence, this category remains nonmaterial, and we do not report against this category of Scope 3 emissions
Downstream leased assets	Not Calculated / Exclude	Entain does not have any downstream leased assets which qualify for this category. Hence, this category remains nonmaterial, and we do not report against this category of Scope 3 emissions
Franchises	Not Calculated / Excluded	Entain does not operate Franchise Business in ANZ. Hence, this category remains nonmaterial, and we do not report against this category of Scope 3 emissions
Investments	Not Calculated / Excluded	Entain ANZ does not have any investments to report against this category. Hence, this category remains nonmaterial, and we do not report against this category of Scope 3 emissions



Appendix 1: Reporting Boundary

Group Structure Chart

