Environmental, social and governance

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

Across an extended period, Moonpig Group has contributed to society through its core purpose and by its support for charities. In FY21 the Group extended its contribution through the launch of its ESG strategy.

The Group's ESG strategy commits it to eight long-term goals focused on the environment, its people and its communities. In setting the strategy, the Board chose to focus on six of the United Nations' 17 Sustainable Development Goals that they consider most relevant to the business.

The Group's focus during FY22 has been on embedding the ESG goals within business practices and aligning its strategy, people and partners behind them. We are pleased with the progress that we have made to date.

For FY23 we intend to implement a new goal relating to the environment, which recognises the importance of reducing indirect emissions in the Group's value chain. The goal is to "more accurately measure supply chain emissions and set Scope 3 reduction targets by the end of FY23". This replaces the goal relating to sustainable sourcing of paper, card and packaging, which has moved from being an area of strategic focus to one which can be managed through business-as-usual monitoring and delivery.

ESG goals
See pages 30 to 31

Environment
See page 32

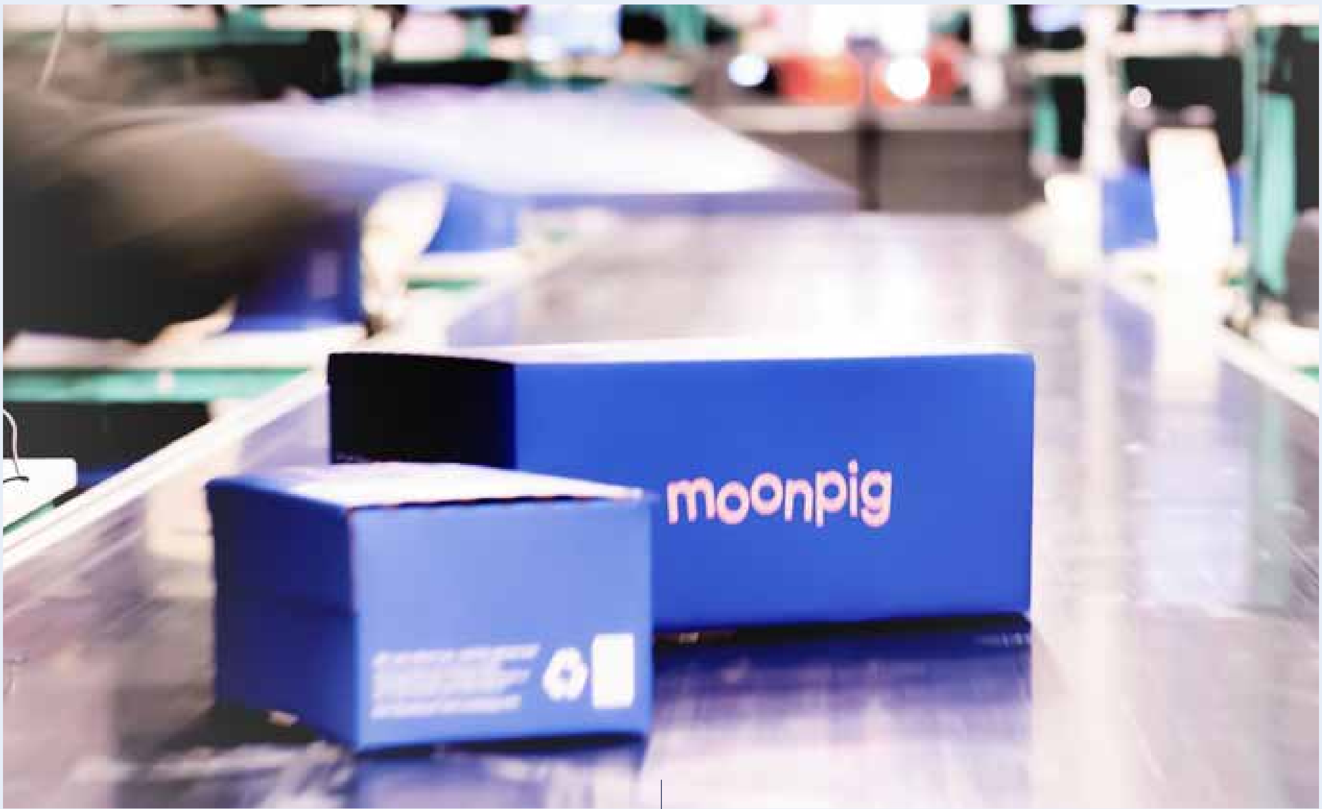
Energy and carbon reporting
See page 33

TCFD
See pages 34 to 41

People
See page 42

Diversity and gender pay gap
See pages 43 to 44

Communities
See page 45



UN Sustainable Development Goals

The Directors have chosen to focus on six of the United Nations' 17 Sustainable Development Goals that they consider most relevant to the business.

3 GOOD HEALTH AND WELL-BEING

Ensure healthy lives and promote well-being for all at all ages

8 DECENT WORK AND ECONOMIC GROWTH

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

4 QUALITY EDUCATION

Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Ensure sustainable consumption and production patterns

5 GENDER EQUALITY

Achieve gender equality and empower all women and girls

15 LIFE ON LAND

Protect, restore and promote sustainable use of terrestrial ecosystems and sustainably manage forests

Environmental, social and governance continued

Goal	Progress to date	Next steps for FY23
Goal 1 - Net zero operational carbon emissions (Scope 1 and Scope 2) by 2030, aligned to the SBTi near term target **The goal commits the Group to: (a) reduce absolute greenhouse gas emissions arising from its own operations (Scope 1 and Scope 2) by at least 50% by 2030 versus total emissions of 635 tCO_2e in the baseline year of FY20; and (b) offset any emissions that cannot be reduced.** **This goal has been validated by the Science Based Target initiative ("SBTi"), and is aligned with the Paris Agreement's aspiration to limit global warming to 1.5°C. The Group's net zero goal will be reviewed in line with updated SBTi guidance during the year ahead.**	Scope 1 and 2 emissions were 518 tCO_2e, representing a decrease of 23% tCO_2e year-on-year (FY21: 675 tCO_2e) and a reduction of 18% compared to our benchmark year of FY20. The decrease in emissions was driven by: • Introducing an environmental management system that reduced energy usage across our sites. We conducted building performance evaluations that led to several energy reduction initiatives, including improved heating controls and changes to our building hardware and systems. • Migrating electricity supply to renewable sources. From November 2021 all our UK and Netherlands electricity supply was 100% renewable[1]. In FY22 we offset Scope 1 and 2 emissions from the previous year by investing £22,500 through The Woodland Trust (FY21: nil).	In FY23 we plan to open two new fulfilment sites. The UK facility is rated as "BREEAM Excellent". The Netherlands facility is on a district heating system and has been retrofitted to improve its environmental, social and economic sustainability in line with best practice. The Group is committed to offsetting Scope 1 and 2 emissions that cannot be reduced. In FY23 the Group plans to offset 518 tCO_2e of Scope 1 and 2 emissions from the previous year at an estimated cost of £20,000.
Goal 2 - 100% sustainably sourced paper, card and packaging by 2022 **The Group aims to consume resources sustainably and to minimise the forestry impact of the wood products that the Group uses.**	We have achieved 100% sustainable sourcing[2] for SKUs of paper, card, envelopes and packaging in our core markets of the UK, the Netherlands and Ireland, and 98% globally. We completed an extensive programme of work which included auditing our full range of SKUs, attaining or renewing FSC Chain of Custody Certification in the UK and the Netherlands, working with our supply chain to replace non-compliant SKUs and developing internal tracking.	This goal has been substantially delivered and will move from being an area of strategic focus to one that is managed on a business-as-usual basis. It will be replaced by a new goal to more accurately measure supply chain emissions and set Scope 3 reduction targets by the end of FY23.
Goal 3 – Reforest at least 330 hectares of woodland by 2025 **The Group relies on wood pulp to make its products and therefore aims to be "forest positive".**	In FY22 we delivered 20% of this five-year goal. We partnered with Tree-Nation and planted 66 hectares of woodland (FY21: nil) with 106,000 trees (FY21: nil). This is in addition to any offsetting of emissions conducted within Goal 1. Tree-Nation enabled us to focus planting activity in ecologically sensitive areas and safeguards the long-term impact of tree planting by managing the forests. In FY22 we contributed to projects in Madagascar, Nepal, Tanzania, Columbia, Thailand and India.	In FY23 the Group has committed to plant a further 66 hectares of forest.

1 In Guernsey, the sole provider of electricity to the island, Guernsey Electric, supplies 93% (in 2020) renewable electricity.

2 Sustainable SKUs are from FSC or PEFC certified sources or recycled sources.

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

Goal	Progress to date	Next steps for FY23
Goal 4 – Increase the combined representation of women and ethnic minorities on the Leadership Team[3] to at least 50% by 2025 **The Group wants to be representative of its customers and the communities in which it operates.**	As at 30 April 2022, the combined representation of women and ethnic minorities on the Leadership Team[3] was 53% (2021: 45%). In FY22 we have worked to develop our next generation of female leaders. We set up new coaching and mentoring schemes, established our gender-balance network and implemented a range of initiatives including unconscious bias training for hiring managers.	For FY23 this goal will be updated to "Maintain the combined representation of women and ethnic minorities on the Leadership Team[3] at around 50%".
Goal 5 – Reach and maintain an engagement score at or above 72% **Improving engagement in our teams will improve productivity and hence business performance. It will help to ensure that employees are retained for longer, reducing recruitment costs.**	Across the two surveys carried out in FY22, the average engagement score was 65%, below prior year (68%) and target (72%). In a competitive recruitment market, remuneration and career development were key survey themes. Our survey continued to show many positive trends. 83% of employees say that they are proud to work for the Group, and 81% say they would recommend a friend to work for the Group. During FY22 we launched the Group's new values (see the corporate governance statement on page 72), implemented hybrid home/office working, increased employer pension contributions and implemented new flexible benefit options and new staff discounts.	The focus areas for action on driving engagement in FY23 will be compensation, career development, care and recognition. We have implemented cumulative average pay increases of 8.6% in FY22, of which 6.3% was effective from 1 May 2022. We intend to give our people more bespoke training and our well-being programme will be refreshed.
Goal 6 – Invest £1.0m between 2020-2025 through the Moonpig Group Foundation **Through the Moonpig Group Foundation, we want to support initiatives that create connections and spark moments of joy in our communities.**	During FY22 the Moonpig Group Foundation made charitable donations totalling £189,000 (FY21: £44,000). As at 30 April 2022 the Foundation has cumulatively donated £233,000 (30 April 2021: £44,000) to third-party charities since being set up in FY21. The Group also made charitable donations on its own account totalling £81,000 of which £75,000 was to the CAF (FY21: £678,000, of which £344,000 was to the CAF).	Employees in each of our locations have chosen a cause to support in FY23. The chosen charities are End Youth Homelessness (UK), Les Bourgs Hospice (Guernsey) and Kinderhulp (Netherlands).
Goal 7 – New hires into technical roles[1] to be at least 45% from women by 2025 **To deliver the Group's strategy, we need to hire highly skilled technology workers from all areas of society.**	In FY22 37% of new hires into technical roles were female (FY21: 28%). As at 30 April 2022, 33% of employees in these teams are female (2021: 27%). We launched an apprentice scheme to support women who change careers into technology roles. To attract women, we partnered with women's networking events, for example SheCanCode and Women In Tech. We increased referral fees to incentivise employees to introduce female candidates.	We intend to continue to enhance recruitment practices, support apprenticeship programmes and engage with networking events. We intend to expand our apprenticeship scheme. We intend to communicate our flexibility as an employer to attract women with care-giving commitments.
Goal 8 – Reach and maintain a top-quartile Customer NPS score of at least 70 **The Group's mission is to help people connect, and it is important that the Group's customers believe it is doing this.**	The Group's weighted average Customer NPS score across its brands was 71 in FY22 (FY21: 67), which places it in the top quartile for technology companies. We have improved order and delivery information, introduced a customer service chatbot, worked with our partners to improve delivery performance and worked with our supply chain to improve flower quality.	We intend to place significant focus in FY23 upon further elevating our gifting proposition. The migration of Greetz onto the Group technology platform will deliver new customer-facing functionality for our Dutch customers.

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

Environmental, social and governance continued

The environment

The Group aims to consume resources sustainably and to minimise its impact on the environment.

Packaging and waste

The Group is committed to phasing out single-use plastic packaging throughout its supply chain and has a packaging waste-management programme in place.

Projects undertaken during the year have ensured that all card, envelopes and packaging procured by Moonpig and Greetz is now reusable, recyclable or compostable. Messages encouraging recipients to recycle are written in large text next to a prominent recyclable symbol, and box packaging is predominantly made from sustainably-sourced brown fluted cardboard, further identifying it as recyclable to recipients.

The Group is committed to international guidelines for the disposal of electronic waste.

Energy use and greenhouse gas emissions

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

In FY22, the Group's Scope 1 and 2 carbon emissions were 518 tCO_2e (FY21: 675 tCO_2e) which is a reduction of 157 tCO_2e, or 23%, year-on-year.

During the year, the Group has worked to construct a roadmap for reducing its Scope 1 and 2 emissions, with a focus on: (1) reducing our energy use; (2) switching to renewable energy; and (3) ensuring that any additions to our operational infrastructure are consistent with our goals for energy efficiency.

The majority of the Group's emissions lie within its supply chain, with the following areas identified as material:

- Products - the goods and packaging purchased and resold to customers,
- Downstream distribution - covering transport, warehousing and outsourced fulfilment, and
- Technology footprint - the energy required to support online services and communications.

We have commenced data collection for these areas and will work with suppliers to deliver this. We have set a new ESG goal to more accurately measure supply chain emissions and set Scope 3 reduction targets by the end of FY23 (see page 30).

The greenhouse gas reporting period is aligned to the financial reporting year. The Group reports emissions with reference to the latest Greenhouse Gas Protocol Corporate Accounting and Reporting Standard ("GHG Protocol"). The 2020 UK Government GHG Conversion Factors for Company Reporting are used to convert energy use in operations to emissions of tCO_2e. Carbon emission factors for purchased electricity are calculated according to the "location-based grid average" method. This reflects the average emission of the grid where the energy consumption occurs. Data sources include billing, invoices and the Group's internal environment management system.

For transport data where actual usage data (e.g. type and size of engine) was unavailable, conversions were made using average fuel consumption factors to estimate the usage. Mileage claims are provided in number of miles and converted into tCO_2e using an average-car calculation.

	FY22			FY21		
Energy consumption (kWh)	UK[1]	NL	Total	UK[1]	NL	Total
Gas	4,920	912,195	917,116	13,427	1,109,564	1,122,991
Electricity (purchased)	725,359	775,209	1,500,568	782,131	896,019	1,678,150
Total energy consumption	730,279	1,687,404	2,417,684	795,558	2,005,583	2,801,141
Mileage claims (miles)	27,487	12,595	40,082	–	14,772	14,772

	FY22			FY21		
GHG emissions (tCO_2e)	UK[1]	NL	Total	UK[1]	NL	Total
Scope 1: Emissions from combustion of gas	1	167	168	2	204	206
Scope 2: Emissions from purchased electricity	60	290	350	64	405	469
Total operational emissions (tCO_2e)	61	457	518	66	609	675
Intensity ratio: tCO_2e per £1m of revenue	0.26	6.57	1.70	0.23	7.04	1.83

1 The UK data also includes energy used and emissions produced within the factory located in Guernsey, to support our UK business.

Task Force on Climate-related Financial Disclosures ("TCFD")

Overview

This section sets out the Group's inaugural disclosures consistent with the TCFD framework. The Board is satisfied with the progress made to date. Going forward, we will work to reduce the Group's direct and indirect emissions, further integrate positive environmental actions into our business strategy and further evolve our reporting on this topic.

The following table sets out where recommended TCFD disclosures can be found in this report and explains the key future steps the Group intends to take to ensure full and consistent compliance with the TCFD framework in future:

TCFD pillar	TCFD recommended disclosure	Current status	FY23 focus
Climate governance **The organisation's governance around climate-related risks and opportunities**	• Describe the Board's oversight of climate-related risks and opportunities. • Describe management's role in assessing and managing climate-related risks and opportunities.	The Board's oversight of climate-related risks and opportunities and how management has assessed and managed these risks and opportunities, is set out in the Climate governance section on pages 35 to 36.	We intend to make our inaugural Carbon Disclosure Project ("CDP") submission. We have introduced a climate-related measure into the FY23 annual bonus scheme for the Executive Directors and the Group Leadership Team.
Climate risk management **How the organisation identifies, assesses and manages climate-related risks**	• Describe the organisation's processes for identifying and assessing climate-related risks. • Describe the organisation's processes for managing climate-related risks. • Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management.	The Group's approach to climate risk identification, assessment and management is set out in the Climate risk management section on pages 37 to 38. The Audit Committee and the full Board have received an update on the inclusion of climate-related risks into the Group's risk management framework as part of the FY22 risk management process.	Climate risk management will be considered by the Board (based on recommendation from the Audit Committee) in line with the Group's risk management framework. Climate-related risks will be subject to the same identification, analysis and mitigation processes as operational risks.
Climate strategy **The actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material**	• Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term. • Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning. • Describe the resilience of the organisation's strategy, taking into consideration different climate scenarios.	The material climate-related risks and opportunities identified by the Group are described in the Climate strategy section on pages 39 to 41. The Group modelled the potential impact of discrete risks and opportunities within the selected time horizons to identify key exposures for this report. The Audit Committee and the Board have reviewed the methodology and analysis of risks and opportunities. Impacts on the business, strategy and financial planning, and the resilience of strategy, are described on page 39.	We aim to progressively incorporate quantitative analysis into our identification of the potential impacts of climate-related risks and opportunities.

TCFD pillar	TCFD recommended disclosure	Current status	FY23 focus
Climate metrics and targets **The metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material**	• Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process. • Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas ("GHG") emissions, and the related risks. • Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	The Group's current climate-related metrics are Scope 1 and Scope 2 GHG emissions, as set out in the SECR disclosure on page 33. The Group does not currently use other climate-related metrics. The Group's climate-related targets are set out within its ESG goals on page 30.	The Board has approved a goal to more accurately measure indirect emissions and set a Scope 3 reduction target by the end of FY23. We intend to extend our climate-related metrics beyond GHG emissions. The additional metrics will be aligned with our strategy and risk management goals and, as per the guidance provided by the TCFD, will be decision-useful, clear and understandable, reliable, verifiable and objective and consistent over time.

Climate governance

The Group has put in place governance arrangements relating to climate-related risks and opportunities, which are summarised below with reference to eight key principles[1]:

Principle	Governance arrangements
Board structure **The Board has determined how to effectively integrate climate considerations into its structure and committees.**	The Board has collective responsibility for risk. Consistent with this, climate-related risks and opportunities are considered by the Board as a whole, based on recommendations made by the Audit Committee. Going forward it will be considered twice annually. The Board does not consider it currently necessary to establish a dedicated sustainability committee, given the size and composition of the Board (in which all Independent Non-Executive Directors sit on all committees). This will remain under review. The Board has appointed Susan Hooper as the lead Independent Non-Executive Director in relation to oversight of ESG-related matters, including climate-related matters.
Command of the subject **The Board considers that it has sufficient knowledge, skills, experience and background to ensure awareness and understanding of climate-related risks and opportunities.**	Five of the Board members in place at 30 April 2022 have ESG skills and experience, including relating to climate matters (refer to the Board skills matrix set out in the Nomination Committee report on page 90). Specialist advice relating to climate-related matters is obtained where appropriate. The Executive Directors obtained external advice on the development of the Group's ESG Strategy in FY21 and on the implementation of TCFD framework disclosures in FY22. The Remuneration Committee obtained independent remuneration advice prior to setting a climate-related bonus measure and target for FY23.
Board accountability to shareholders **The Board considers Directors' duties to shareholders with respect to the Company's long-term resilience to potential shifts in the business landscape that may result from climate change.**	The Board receives periodic, scheduled updates from management on delivery against the Group's ESG strategy, including in relation to climate-related matters. This is the way that the Board oversees progress against the Group's goal for net zero goal operational emissions. Climate impacts are routinely considered by the Board as part of deliberations relating to major projects. For instance, in FY22, prior to approving investments in two new operational facilities in Almere in the Netherlands and Tamworth in the UK, the Board specifically appraised consistency with the Group's goal for net zero operational emissions.

1 Eight key principles set out in "How to Set Up Effective Climate Governance on Corporate Boards", World Economic Forum, January 2019.

Task Force on Climate-related Financial Disclosures ("TCFD") continued

Principle	Governance arrangements
Strategic integration **The Board has ensured that climate systemically informs strategic planning and decision-making and is embedded into risk management across the organisation.**	The Group is progressively embedding climate-related risk into the "three lines of defence" of its risk management framework. Operationally, members of the Group Leadership Team are responsible for overseeing delivery of the Group's climate-related commitments. Climate-related matters are routinely considered by the Group Leadership Team. Cross-functional working groups are in place, delivering against all areas of our ESG strategy, including climate-related goals. The Group established an ESG function during FY21 to supplement existing second-line oversight provided by the Finance function. Going forward, the internal audit planning process will consider a review of climate-related procedures and controls. For FY22, the focus has instead been on obtaining advice on the initial establishment of such procedures and controls.
Material risks and opportunities **The Board has structures in place for reviewing the materiality of climate-related risks and opportunities on an ongoing basis.**	The Group's inaugural review of climate-related risks and opportunities was performed in FY22, following the process set out on the following page. It has been approved by the Board based on recommendation from the Audit Committee. Going forwards, climate risk management will be embedded within the Group's risk management framework.
Remuneration **The Board has considered the inclusion of climate-related targets when setting executive management remuneration.**	In FY22, ESG-related measures were introduced into the annual bonus scheme for Executive Directors and Group Leadership Team. For FY23, one of these ESG bonus measures will be climate-related, requiring both: (a) delivery against a quantified target for the reduction of Scope 1 and 2 emissions; and (b) the implementation of processes for the measurement of indirect emissions, to allow a quantified Scope 3 emissions target to be set in FY24.
Reporting and disclosure **The Board has ensured that material climate-related risks and opportunities are disclosed in accordance with regulatory requirements.**	In FY21, the Group implemented reporting in accordance with SECR, covering Scope 1 and 2 emissions. In FY22, the Group has made its first disclosure against the TCFD framework. Implementation of systems and process to enable the measurement of Scope 3 emissions will be an area of management focus during FY23.
Exchange **The Board has maintained appropriate exchanges and dialogues with stakeholders.**	The Executive Directors discuss sustainability and other ESG topics as part of their ongoing programme of meetings with investors, fund managers and analysts. The Group engages regularly with third-party organisations that monitor or score company ESG performance on behalf of shareholders. The Group's carbon emissions reduction target was validated by the Science Based Target initiative ("SBTi") during FY21. The Independent Non-Executive Director with responsibility for oversight of ESG matters is a founding director of Chapter Zero, an organisation which promotes corporate awareness of climate change.

Climate risk management

In FY22, we established a working group to conduct the Group's inaugural climate risk management process. With support from a third-party specialist and with executive-level sponsorship, we carried out the following stages:

Stage 1

Risk and opportunity identification

Beginning with the TCFD framework and literature, the Group performed risk and opportunity identification. This process identified approximately 30 relevant climate-related risks and opportunities.

Risk and opportunity types assessed included:

- **Transition risk:** comprising the market, policy and legal, technology and reputation risks associated with transitioning to a lower carbon economy.
- **Acute physical risks:** that are event-driven, including increased severity of extreme weather events.
- **Chronic physical risks:** arising from longer-term climate shifts that may cause sea-level rise or chronic heat waves.

Stage 2

Risk and opportunity prioritisation

Based on workshops with Group management, nine key risks and opportunities were identified across three key themes. Selection was based on the potential significance of the risk/opportunity and industry relevance.

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

Stage 3

Selection of time horizon

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

- **Short term (0 – 3 years) -** climate-related risks which are identified to occur during this time frame will additionally be categorised as a principal risk, in line with our overall risk management process.
- **Medium term (4 – 10 years) -** climate-related risks which are identified as having potential to occur during this time frame are monitored and assessed.
- **Long term (10+ years) -** the Group recognises that it must consider and address longer-terms risks as it formulates business strategy.

Task Force on Climate-related Financial Disclosures ("TCFD") continued

Stage 4 **Selection of climate change scenarios.**	We performed analysis of individual risks and opportunities using two climate scenarios: • **Scenario 1 –** "Paris Aligned"[1]: Under this transition scenario, there is sustained and coordinated collective action, with emissions reductions meeting the required levels to keep global average temperature increases to below 1.5°C by 2100. There is a lower likelihood of severe climate-change-related weather events, but potential impact from the climate change policies implemented globally to align to the 1.5°C warming pathway. • **Scenario 2 –** "Business as Usual"[2]: Under this scenario, there is inadequate action to limit greenhouse gas emissions and modelling reflects a world where increasing concentrations of CO_2 puts global average temperature increases on a trajectory towards 4°C by 2100. There is no further climate policy intervention, but increased risk of physical impacts due to the increased severity and frequency of climate-change-related weather events.
Stage 5 **Risk and opportunity assessment.**	For physical risks and for transition risks related to price analysis and regulatory changes the Group performed a quantitative assessment of individual key risks under two scenarios, with support from external advisers. For physical risks, the Group considered acute physical risks (coastal inundation, extreme wind, extreme heat, riverine and surface water flooding and forest fires) across its UK and Netherlands operations. The Group also performed site-specific analysis on its Guernsey manufacturing site. Potential physical impacts were assessed through two metrics, site damage (the potential impact of hazards on site infrastructure) and business interruption (the potential revenue loss associated with hazards). For transition risks related to price analysis and regulatory change, these were analysed using climate scenario modelling to assess the potential financial impact in both the Paris Aligned and the Business as Usual scenarios. For transition risks related to the path to decarbonisation, and for climate opportunities, we have performed a qualitative assessment of risk and impact, using available internal data and external literature. Each risk has been classified as either High (>10% impact on Group Adjusted EBITDA), Medium (>5% <=10% impact on Group Adjusted EBITDA) or Low (<=5% impact on Group Adjusted EBITDA) for each time horizon. Decisions on how we mitigate, control or accept risks are made in accordance with the procedures in our overall risk management framework as set out on pages 56 to 61.
Stage 6 **Board approval.**	The FY22 climate risk assessment has been approved by the Board based on recommendation from the Audit Committee.
Stage 7 **Future operationalisation.**	Going forward, climate risk management will be embedded within the Group's risk management framework. A climate risk register will be maintained by the Group Leadership Team, presented for review by the Audit Committee twice annually and recommended to the Board for approval.

Metrics, targets, and transition planning

The Group's current climate-related metrics and targets are Scope 1 and Scope 2 GHG emissions. For FY23, the Board has set a goal for the Group to improve the accuracy with which indirect emissions can be measured and to set a Scope 3 reduction target. During FY23, the Group intends to implement additional climate-related metrics, which we intend will be aligned with strategy and risk management goals and (as per the guidance provided by the TCFD) will be decision-useful, clear and understandable, reliable, verifiable and objective and consistent over time.

Whilst the Group has made a validated commitment to net zero operational emissions, it does not currently have a formal transition plan in place. Considering that most of the GHG emissions generated in connection with the Group's activities are indirect, the Board considers that it will not be possible to implement a transition plan that is consistent with TCFD guidance[3] (in particular, the requirement that a transition plan should be "anchored in quantitative elements") until the Group is in a position to accurately measure and set targets for Scope 3 emissions.

1 The Representative Concentration Pathway RCP 2.6, a trajectory for greenhouse gas concentration adopted by the Intergovernmental Panel on Climate Change.
2 The Representative Concentration Pathway RCP 8.5, a trajectory for greenhouse gas concentration adopted by the Intergovernmental Panel on Climate Change.
3 "Guidance on Metrics, Targets, and Transition Plans", TCFD, October 2021.

Climate strategy

Impact on the business, strategy and financial planning

The Group Leadership Team is responsible for overseeing operational delivery against the Group's climate-related commitments. Cross-functional working groups are in place, delivering against all areas of our ESG strategy (including climate-related goals) with support from the Group's dedicated ESG function.

Whilst the Group is not currently able to perform comprehensive, quantitative scenario analysis (which would require accurate data on Scope 3 emissions), the Group has performed an assessment of the individual risks and opportunities which indicates that the potential impact of all specific risks is low in the short and medium-term.

In the Paris Aligned scenario, there are climate-related risks that might have an impact in the long term, as follows: (R3) the risk that consumer preferences might change in future in ways that could cause a reduction in demand for the Group's product offering; and (R4) the risk that a failure of the Group's suppliers to decarbonise at sufficient speed might impact the Group's reputation with consumers. Our view on these risks is tentative, as they are based on unprovable hypotheses relating to potential future changes in societal attitudes, in addition to factors that are under the Group's control. The Group's development work relating to digital gifting solutions, including the acceleration of strategic progress in this area resulting from the proposed acquisition of Buyagift, represents potential mitigation of these risks.

Overall, the Board's view is that the resilience of the organisation's strategy is high, taking into consideration the different climate scenarios that we have selected and considered.

Primary climate-related opportunities

Opportunity	Potential impact	Next steps
Opportunity 1 **Increased usage of renewable energy; on-site solar generation**	The cost of energy from traditional sources is expected to rise due to the transition to a low carbon economy, causing a relative fall in costs for renewable energy. Shifting to 100% renewable energy could enable the Group to take advantage of cheaper power and lower its Scope 2 emissions.	• From November 2021 all the Group's UK and Netherlands electricity supply was 100% renewable. • In FY23 we plan to open two new fulfilment sites. The UK facility is rated as "BREEAM Excellent". The Netherlands facility is on a district heating system and has been retrofitted to improve its environmental, social and economic sustainability in line with best practice.
Opportunity 2 **Decarbonisation of distribution**	The UK and EU are committing to reduce emissions across forms of transport leading to an increase in adoption of electric vehicles. This may provide an opportunity for the Group to decarbonise its distribution channels more easily.	• The Group intends to continue to work with its delivery partners, especially those that do not have publicly available reduction targets and understand their appetite for setting emissions reduction targets.
Opportunity 3 **Lower carbon product portfolio; sustainable paper packaging**	Changes in consumer habits might provide opportunities to capitalise on a growing market for sustainable or zero-carbon gifting.	• Recent action taken to ensure substantially all card, envelopes and packaging are from sustainable sources reduces the likelihood of deforestation in the supply chain and associated emissions. • The Group plans to continue its existing work on the development of its digital gifting proposition. Progress in this area will be accelerated by the proposed acquisition of Buyagift.
Opportunity 4 **Increased consumer demand for recycled content**	In the Paris Aligned scenario, greater demand for circularity is expected. There may be opportunities to take advantage of this trend by improving the prominence of labelling and recycling instructions.	• The Group plans to engage with suppliers to increase the quality of labelling and recycling instruction on products and investigate opportunities to increase the level of recycled content in its products where possible.
Opportunity 5 **Reforesting initiatives**	By meeting its reforesting goal (see page 30), the Group can improve its reputation amongst consumers. These initiatives will also help provide positive examples for future Taskforce on Nature-related Financial Disclosure ("TNFD") requirements.	• We intend to raise the profile of our "Forest Positive" status in consumer marketing at both Moonpig and Greetz. • TNFD aims to establish and promote integrating a risk management and disclosure framework to promote global consistency in nature-related reporting. The Group intends to ensure they stay up to date with TNFD announcements to align future actions with disclosure requirements.

Task Force on Climate-related Financial Disclosures ("TCFD") continued

Primary climate-related risks

TCFD category	Risk	Potential impact
Physical (acute and chronic)	R1 Operational sites and distribution exposure to physical risks	An increase in the frequency and severity of extreme weather conditions could result in damage and/or interruption to manufacturing and distribution facilities. Third-party analysis suggests coastal inundation is likely the most significant hazard in both scenarios. The highest levels of exposure relate to the Group's Guernsey operations. Levels of impact for the Group's Dutch operations are low within the time horizons considered by our assessment, owing to strong coastal defences in the Netherlands. Coastal inundation is a risk for the UK mainland; however, the Group's key in-house and outsourced facilities are either located inland (Tamworth, Milton Keynes, Northampton) or in locations not expected to be at risk of inundation prior to 2050 in a Business as Usual scenario (Sleaford).
Policy and legal	R2 Carbon tax and pricing mechanisms in a Paris Aligned scenario	Carbon taxation is assumed to be the primary lever by which governments around the globe will incentivise decarbonisation. Increases to carbon tariffs could lead to additional operational costs, through direct carbon costs on Scope 1 and 2 emissions or indirectly through increased input costs from suppliers (Scope 3). Quantification of potential future liabilities for Scope 1 and 2 emissions show the financial impact to the Group is not expected to be significant out to 2050 even if the Group fails to meet decarbonisation goals (less than £2m EBITDA impact in a Business as Usual scenario). The Group is in the process of implementing systems and procedures for measuring Scope 3 emissions to assess exposure.
Market	R3 Potential future consumer preference changes in a Paris Aligned scenario	Shifts in consumption habits are expected to be a prerequisite for the transition to a low-carbon economy and limiting global warming to 1.5°C. In the Paris Aligned scenario, there is a possibility that consumer preferences might change in future in ways that could reduce demand for the Group's product offering. Given that pulpwood is a very small proportion of the Group's value chain, this would require continued high carbon emissions in other services consumed by the Group, for instance postal services. Should transition not be achieved in the relevant industry sectors, then there may be an impact over the long term.
Technology	R4 Future failure of suppliers to decarbonise in a Paris Aligned scenario	A future failure of the Group's suppliers to decarbonise at sufficient speed and scale could impact the Group's reputation with consumers leading to a fall in demand in the long term. Decarbonising the Group's product offering in a 1.5°C scenario will be dependent on efforts by third-party suppliers. The Group is not yet able to map Scope 3 emissions by supplier. Note that paper products are only a small proportion of the Group's value chain, hence our expectation is that the primary sources of indirect emissions will lie elsewhere.

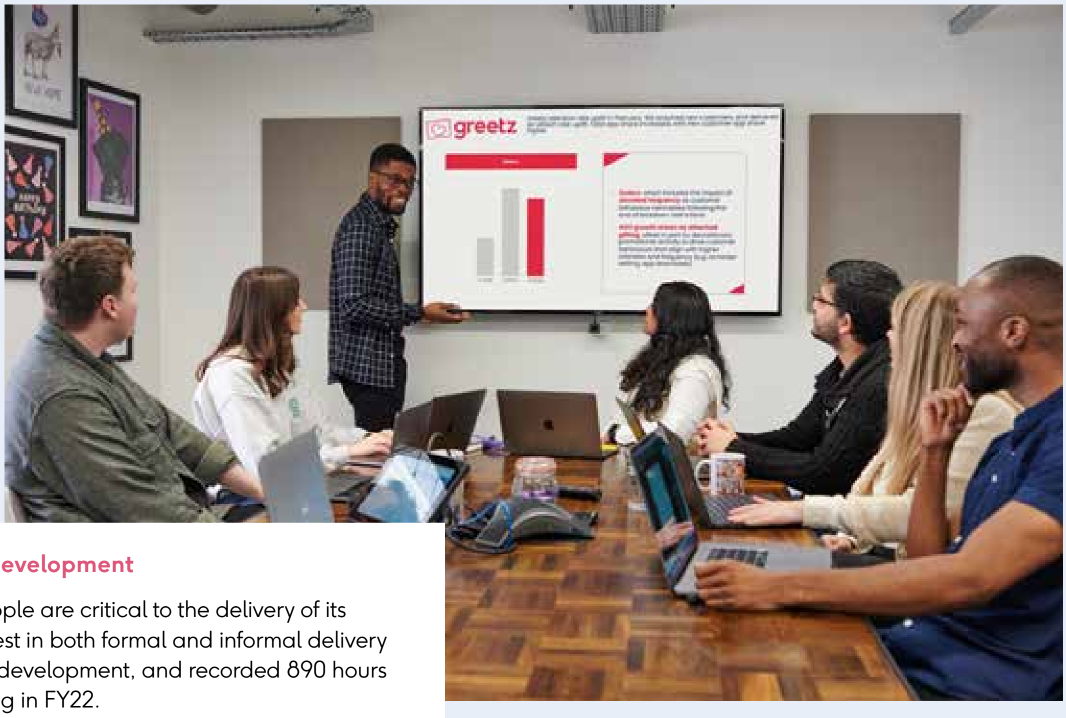
Note: Red, Amber, Green ("RAG") ratings are based on financial impact, with each risk classified as either High (>10% impact on Group Adjusted EBITDA), Medium (>5% <=10% impact on Group Adjusted EBITDA) or Low (<=5% impact on Group Adjusted EBITDA) within each time horizon.

Potential mitigation	Post-mitigation impact assessment	Short term	Medium term	Long term
• The Group has significant flexibility in its production network, which would enable it to mitigate business interruptions by shifting production to unaffected sites. The Group temporarily rerouted Guernsey volumes to different sites during periods of 2020 and 2021 when lockdown restrictions imposed by the States of Guernsey significantly limited production capacity at the site. • The Group will consider coastal flood risk when considering future changes to the Group's operational network, making site-specific assessments at the appropriate time.	1.5°C	Low	Low	Low
	4.0°C	Low	Low	Low
• Successful implementation of the Group's Scope 1 and 2 emissions reduction goals would mitigate any increase in direct carbon costs. • Implementation of systems and process to enable the measurement of Scope 3 emissions is an area of management focus during FY23. Once this is in place, the Group will be able to further influence the mitigation of these emissions by engaging with suppliers to understand their transition plans.	1.5°C	Low	Low	Low
	4.0°C	N/A	N/A	N/A
• By meeting its decarbonisation goals, the Group should lower the emissions intensity of its product offering. • The Group intends to continue its existing work on the development of its digital gifting proposition. Progress in this area will be accelerated by the proposed acquisition of Buyagift.	1.5°C	Low	Low	Medium
	4.0°C	N/A	N/A	N/A
• Discuss decarbonisation plans with key suppliers, to understand the emissions trajectory and plans for technology implementation.	1.5°C	Low	Low	Medium
	4.0°C	N/A	N/A	N/A

Environmental, social and governance continued

Our people

Our people strategy is focused on promoting high performance, high engagement and high levels of inclusion.



Training and development

The Group's people are critical to the delivery of its strategy. We invest in both formal and informal delivery of learning and development, and recorded 890 hours of formal learning in FY22.

Reward and pay

We pay all employees in the UK and Guernsey at or above both the legal minimum wage (National Living Wage) and the Real Living Wage as defined by the Living Wage Foundation[1]. In the Netherlands we pay at or above the legal minimum wage (Minimumloon). There is a Works Council in place at Greetz.

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

Gender and ethnicity data - leadership

As at 30 April 2022	Male	Female	Total	% Female	Non-minority ethnic[5]	Minority ethnic[5]	Total	% Minority ethnic[5]	Non-ethnic minority male[5]	Women & ethnic minority[5]	Total[5]	% Women & ethnic minority[5]
Board[1]	5	2	7	29%	6	1	7	14%	4	3	7	43%
Group Leadership[2]	5	2	7	29%	5	2	7	29%	4	3	7	43%
Extended Leadership[3]	14	11	25	44%	21	4	25	16%	11	14	25	56%
Combined Leadership Team[4]	21	13	34	38%	27	7	34	21%	16	18	34	53%
As at 30 April 2021												
Board[1]	5	2	7	29%	6	1	7	14%	4	3	7	43%
Group Leadership[2]	5	2	7	29%	5	2	7	29%	4	3	7	43%
Extended Leadership[3]	19	10	29	34%	24	5	29	17%	16	13	29	45%
Combined Leadership Team[4]	26	12	38	32%	30	8	38	21%	21	17	38	45%

Gender representation – whole business

	As at 30 April 2022				As at 30 April 2021			
	Male	Female	Total	% Female	Male	Female	Total	% Female
Board	5	2	7	29%	5	2	7	29%
Group Leadership[2]	5	2	7	29%	5	2	7	29%
Extended Leadership[3]	14	11	25	44%	19	10	29	34%
Total Group	**237**	**243**	**480**	**51%**	**208**	**211**	**419**	**50%**

1 Includes Executive Directors. All Board members have British nationality.
2 Comprises the GLT excluding Executive Directors.
3 Comprises direct reports to the Group Leadership Team who are also members of the Extended Leadership Team.
4 Comprises the Group Leadership, Extended Leadership and the Executive Directors.
5 Ethnicity is special category data under Data Protection legislation and is therefore not collected and held for all employees. Data has been collected on the basis of explicit consent for the purposes of monitoring racial and ethnic diversity at senior levels. In any instance where a relevant employee has not consented to the collection of data, they are counted in the denominator but not the numerator for the percentage representation KPIs.

Gender pay

The UK Government requires all legal entities with 250 or more employees to annually disclose their gender pay gap. The gender pay gap is not the same thing as equal pay. Equal pay relates to men and women performing the same job but being paid differently, whereas the gender pay gap looks across all jobs at all levels within an organisation. Companies are required to disclose the median gender pay gap, and the mean gender pay gap, based on an annual "snapshot" of the employee population on 5 April.

Environmental, social and governance continued

Our people continued

This is the Group's inaugural gender pay gap disclosure. We are pleased that the gender pay gap has narrowed year-on-year, on all measures, both for Moonpig.com Limited and for Moonpig Group as a whole. This reflects the work that we have done to recruit new female talent into the Extended Leadership Team, together with continued progress in raising female representation in technology roles.

The gender pay gap at 30 April 2022 is largely due to relative under-representation of women in our technology function (which reflects the wider societal challenge of female under-representation in technical roles), together with the current gender composition of the Group Leadership Team.

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

Substantially all Moonpig Group employees participate in an annual bonus scheme, with payments made in July. The figures for the proportion of employees receiving a bonus (including the differences between male and female employees) simply reflect the fact that as at the snapshot date, employees hired during FY22 had not yet had their first annual bonus payment opportunity. This is especially the case during a period when the Group has expanded its number of employees.

Proportion of male and female employees across the Group on 5 April:

	April 2022		April 2021		YoY	
	Female	Male	Female	Male	Female	Male
Moonpig Group	**50.1%**	**49.9%**	48.3%	51.7%	1.8%	-1.8%
Moonpig.com Limited	**47.8%**	**52.2%**	45.9%	54.1%	1.9%	-1.9%

Difference in average pay for male and female employees, calculated in line with gender pay gap legislation:

		April 2022		April 2021		YoY	
		Mean	Median	Mean	Median	Mean	Median
Moonpig Group	Hourly rate	**29.7%**	**32.4%**	35.2%	43.8%	-5.5%	-11.4%
	Bonus rate	**45.8%**	**46.1%**	53.5%	59.5%	-7.7%	-13.4%
Moonpig.com Limited	Hourly rate	**26.9%**	**30.6%**	27.5%	44.6%	-0.6%	-14.0%
	Bonus rate	**44.8%**	**45.8%**	51.4%	52.4%	-6.6%	-6.6%

Proportion of male and female employees receiving a bonus:

	April 2022		April 2021		YoY	
	Female	Male	Female	Male	Female	Male
Moonpig Group	**63.5%**	**63.8%**	62.4%	75.5%	1.1%	-11.7%
Moonpig.com Limited	**58.2%**	**57.1%**	86.8%	88.0%	-28.6%	-30.9%

The proportion of women and men in each payroll quartile:

		2022				2021			
		Upper quartile	Upper middle quartile	Lower middle quartile	Lower quartile	Upper quartile	Upper middle quartile	Lower middle quartile	Lower quartile
Moonpig Group	Female	**30.2%**	**48.3%**	**56.9%**	**65.0%**	22.8%	52.5%	66.7%	64.7%
	Male	**69.8%**	**51.7%**	**43.1%**	**35.0%**	77.2%	47.5%	33.3%	35.3%
Moonpig.com Limited	Female	**27.4%**	**37.8%**	**51.4%**	**74.3%**	21.1%	31.0%	51.7%	79.3%
	Male	**72.6%**	**62.2%**	**48.6%**	**25.7%**	78.9%	69.0%	48.3%	20.7%

Our communities

We support local community groups, the technology sector and customers.

Corporate citizenship and philanthropy

Through the Moonpig Group Foundation, we support initiatives that create connections and spark moments of joy in our communities. We have several mechanisms in place to facilitate employee engagement and involvement with our charitable partners. Through the Moonpig Group Foundation our employees have access to matched funding and payroll giving to increase the value of their donations.

We encourage our highly skilled and motivated workforce to volunteer for causes, allowing paid time off for our employees to do so.

The Moonpig Group Foundation is an account within the CAF, a donor-advised fund and Registered Charity (Number 268369). Governance of the charity itself is provided by the trustees of the CAF. Giving requests to the Moonpig Group Foundation are managed internally by a committee that is chaired by the CEO.

Alcohol sales

We are aware that some investors require visibility of exposure to alcohol sales. The proportion of revenue generated from alcohol products during FY22 was 6.5% (FY21: 6.7%). We expect this percentage to be lower in future years, reflecting the proposed acquisition of Buyagift as well as the ongoing broadening of the Group's gifting range.

Kick starting careers in tech through apprenticeships

During FY22 we launched an apprenticeship scheme focused on people wanting to change careers into technology roles. Moonpig apprentices get hands-on experience and training to develop their coding skills and secure a career in technology. We ensure that a wide range of candidates can participate. Apprenticeships benefit the community, are a source of new technology talent for our growing business and we intend to expand the programme in future periods.

Inspiring young women to join the technology sector

We have partnered with Stemettes, a registered charity that works to encourage young women and non-binary individuals in the early stages of their careers in technology. At regular interactive workshops, held in our London office, participants learn to code and female Moonpig leaders take participants through technical challenges based on real-life business scenarios to encourage critical thinking. We also provide access to female mentors from our business.