



2025 Greenhouse Gas Methodology

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Acronyms and Abbreviations

Terms used throughout this methodology document, listed alphabetically.

Acronym	Meaning	Acronym	Meaning
ADEME	French Agency for Ecological Transition	HQ	Headquarters
AR5	IPCC Fifth Assessment Report	HSN	Home Shopping Network
BMO	Building Maintenance and Operations	IEA	International Energy Agency
CO ₂ e / tCO ₂ e	Carbon dioxide equivalent / tonnes of CO ₂ e	IPCC	Intergovernmental Panel on Climate Change
DEFRA	Department for Environment, Food & Rural Affairs (UK)	LPG	Liquefied petroleum gas
DESNZ	Department for Energy Security and Net Zero (UK)	QA/QC	Quality assurance / quality control
eGRID	Emissions & Generation Resource Integrated Database	QVCG	QVC Group
EPA	Environmental Protection Agency (US)	TCR	The Climate Registry
GHG	Greenhouse gas	UNFCCC	UN Framework Convention on Climate Change
GLEC	Global Logistics Emissions Council	USD	US dollar
GWP	Global Warming Potential		

GHG Inventory Overview

An overview of QVCG Inc. (QVCG's) annual greenhouse gas inventory and the methodology guiding its calculation.

1. Purpose

QVCG (QVCG) is committed to measuring, managing, and reducing its greenhouse gas (GHG) emissions and to reporting environmental performance transparently and consistently. This methodology document describes the principles, data sources, emission factors, calculation methods, and assumptions used to prepare QVCG's greenhouse gas inventory.

2. Organizational and Operational Boundaries

Scope of data in this report unless otherwise noted covers QVC and HSN (businesses collectively representing approximately 90% of QVCG 2025 revenue excluding Corporate and other), but excludes Ballard Designs, Frontgate, Garnet Hill, and Grandin Road. The operational control data consolidation approach was followed.

3. Reporting Year

QVCG's greenhouse gas inventory uses 2018 as the baseline year for Scope 1 and Scope 2 emissions. The inventory covers the reporting period from 1 January to 31 December each year. Due to the expansion and maturation of QVCG's Scope 3 reporting, a separate baseline year of 2025 has been established for the following material Scope 3 categories: Category 1: Purchased Goods and Services, Category 2: Capital Goods, Category 4: Upstream Transportation and Distribution, Category 6: Business Travel, Category 11 (US & UK Only): Use of Sold Products.

These categories were first comprehensively quantified using the current methodology in 2025 and will serve as the baseline against which future performance and emissions reduction progress will be assessed.

4. Applicable Standards and Guidance

GHG Protocol Corporate Standard

Scope 1 GHG Emissions Methodology

Emission Source: Scope 1 Direct GHG Emissions

GHG emissions that come directly from the combustion of fuels in stationary equipment or facilities owned or controlled by the company.

Activity Data Source(s)	Calculation Method	Assumptions, Exclusions and Exceptions
Natural Gas: - Consumption data are sourced from utility invoices for each site, compiled by ENGIE , and uploaded to a centralized utility management platform. Diesel Generators: - In the absence of direct fuel data, activity data are estimated using FW Power’s fuel consumption specification (¼ load) and an average sites testing schedule of 15 minutes every two weeks. Diesel Fire Protection Pumps: - Activity data are estimated using a standard fuel consumption rate of 39.4 L/hour and a routine testing schedule of 30 minutes per week to determine annual diesel consumption, direct fuel records are unavailable.	Natural Gas: - Emissions are calculated in the Ellipse platform (ENGIE Impact’s Carbon Management Platform) using 2025 location-specific emission factors, following the GHG Protocol’s country-specific fuel emission factors. - US: The Climate Registry (TCR). UK: DESNZ for other international countries: UNFCCC. Diesel Generators: - Estimated diesel use is multiplied by the 2025 DEFRA emission factor for 100% mineral diesel, in line with the GHG Protocol’s best-available-data principle. Diesel Fire Protection Pumps: - Emissions are calculated using the 2025 DEFRA emission factor for mineral diesel, consistent with GHG Protocol methods for stationary combustion with routine testing.	Natural Gas: - For QVC Studio Park, 2023 data was used where invoice data was unavailable, applying location-specific 2025 emission factors. Generators & Fire Protection Pumps: - Direct fuel consumption data and consumption records are not available for these items. The approach listed represents the best available data and ensures emissions are captured in accordance with GHG Protocol’s completeness principle. - LPG consumption and fleet vehicle fuel use were assessed during the reporting boundary review. These sources have been excluded from the inventory as they are considered de minimis and are not expected to materially impact the reported GHG emissions.

All calculations follow the GHG Protocol Corporate Standard. Data year: 2025 |

Emission Source: Scope 1 Direct Fugitive GHG Emissions

GHG emissions that escape unintentionally during the use of equipment, processes, or systems owned or controlled by the company.

Activity Data Source(s)	Calculation Method	Assumptions, Exclusions and Exceptions
Refrigerant leakage data are obtained from maintenance records, work orders, and service reports provided by qualified contractors at each location. Records include the refrigerant type and quantity (kg) added, replaced, or identified as leaked during servicing, maintenance, and repair activities.	Fugitive emissions are calculated by multiplying the mass of refrigerant leaked (kg) by the applicable Global Warming Potential (GWP) from the Intergovernmental Panel on Climate Change (IPCC) Fifth Assessment Report (AR5). Results are reported in tonnes of carbon dioxide equivalent (tCO₂e) using the relevant 2025 Department for Environment, Food & Rural Affairs (DEFRA UK) refrigerant conversion factors.	- Emissions are based on reported refrigerant leakage data and do not include potential undetected losses. - Only refrigerants associated with equipment owned or operationally controlled by QVCG are included within the reporting boundary

All calculations follow the GHG Protocol Corporate Standard. Data year: 2025 |

Scope 2 GHG Emissions Methodology

Emission Source: Scope 2 Indirect GHG Emissions from Imported Electricity

GHG emissions that result from the generation of electricity purchased or imported from external suppliers and consumed.

Activity Data Source(s)	Calculation Method	Assumptions, Exclusions and Exceptions
Electricity consumption data is sourced from utility invoices for each site, compiled by third-party provider ENGIE, and uploaded to a centralized utility management platform.	Emissions are calculated in the ENGIE Ellipse Platform by applying location-specific electricity emission factors to site electricity consumption data. Emissions factors are sourced from applicable regional datasets including DESNZ (UK), IEA (2025), US EPA eGRID (2023). Calculations follow the GHG Protocol’s location-based approach, which reflects the average emissions intensity of grid supplying electricity to each location.	- Where invoice data is unavailable, electricity consumption for certain broadcast towers is estimated using the average consumption of towers with available data. U.S. EPA eGRID factors were then applied based on ZIP code to calculate the associated emissions. - Where invoice data was unavailable at Studio Park HQ, electricity consumption was estimated using on site metered data in place of utility invoice data. - Market based emissions to be included for 2026 data onwards.

All calculations follow the GHG Protocol Corporate Standard. Data year: 2025 |

Emission Source: Scope 2 Indirect GHG Emissions

GHG emissions that result from the generation of energy purchased or imported from external suppliers, other than electricity.

Activity Data Source(s)	Calculation Method	Assumptions, Exclusions and Exceptions
District Heating, Steam and Chilled Water Consumption data is sourced from utility invoices for applicable sites, compiled by third-party provider ENGIE, and uploaded to a centralized utility management platform.	District Heating / Steam & Chilled Water - Emissions are calculated in the ENGIE Ellipse Platform using location-specific emission factors from applicable national datasets, including the UK Department for Energy Security and Net Zero (DESNZ). - Calculations follow the GHG Protocol's location-based method and reflect the average emissions intensity of the district heating, steam, or cooling network supplying each location.	District Heating: - Where district heating consumption data were unavailable for specific buildings or reporting periods, consumption was estimated using the most appropriate available proxy data. - For the Kassel location (Germany), district heating consumption was estimated using an adjusted average to account for the reduced occupied floor area associated with shared office arrangements. This adjustment was applied to better reflect actual occupancy and operational conditions during the reporting period. District heating is applicable to Kassel (Germany) and Krakow (Poland). Purchased steam and chilled water are applicable to Chiba (Japan).

All calculations follow the GHG Protocol Corporate Standard. Data year: 2025 |

Scope 3 GHG Emissions Methodology

Emission Source: Scope 3, Category 1 Purchased Goods and Services

GHG emissions associated with the production of goods and services that a company purchases. They occur in the **upstream supply chain**, outside of the company’s direct control.

Activity Data Source(s)	Calculation Method	Assumptions, Exclusions and Exceptions
Packaging: - Packaging data are collected across relevant locations and include supplier information, item descriptions, material type, packaging type, unit weight, and total units shipped during the reporting year. Water consumption: - Water consumption data is sourced from utility invoices for each site, compiled by third-party provider ENGIE, and uploaded to a centralized utility management platform.	Packaging: - Emissions were calculated by applying the relevant DEFRA 2025 emission factors (kg CO₂e per kg of material) to the total weight of each packaging material type used. - In addition to total emissions, a packaging carbon intensity metric (g CO₂e per unit shipped) is calculated by dividing total packaging emissions by the total number of units shipped during the reporting year. Water consumption: - Emissions are calculated by multiplying reported water consumption volumes by the relevant 2025 DEFRA water supply emission factors.	Water Supply: - Where actual invoice data are unavailable, water consumption is estimated using the most appropriate available proxy data: - Sites with No Recorded Data: for locations where water consumption is included within a leased service contract and is not separately metered, consumption is estimated using data from a comparable site with similar building characteristics, location, and operational profile. - Sites with Partial Data: where six or more months of consumption data are available, average monthly consumption is calculated and annualized to estimate full-year consumption. Where fewer than six months of data are available, the previous 12 months of recorded consumption data are used as a proxy for the reporting year.

All calculations follow the GHG Protocol Corporate Standard. Data year: 2025|

Emission Source: Scope 3 Category 1 Purchased Goods and Services

GHG emissions associated with the production of goods and services that a company purchases. They occur in the **upstream supply chain**, outside of the company’s direct control.

Activity Data Source(s)	Calculation Method	Assumptions, Exclusions and Exceptions
Purchased Goods and Services: Direct purchases - Inventory data received into QVCG’s fulfillment center network is captured by quantity, cost price and product category including Accessories & Footwear, Apparel, Arts & Crafts, Beauty, Electronics, Flowers & Plants, Food & Drink, Garden & Home, Health & Fitness, Home Décor, Jewelry, Home Innovation, Culinary, and Health Food Supplements. Indirect purchases - Procurement spend data for indirectly purchased goods and services are obtained from internal financial and procurement systems.	Purchased Goods and Services: Direct purchases – Emissions are calculated by multiplying the quantity of units purchased by the corresponding unit cost and applying the relevant category-specific emission factor from the US EPA Supply Chain Greenhouse Gas Emission Factors dataset. Indirect purchases - Emissions are calculated using a spend-based approach, whereby total spend within each procurement category is multiplied by the corresponding US EPA Supply Chain emission factor to estimate associated emissions.	Purchased Services: QVC Japan has been excluded from the analysis as procurement data are not yet available through the internal procurement system, resulting in incomplete activity data coverage for the reporting year.

All calculations follow the GHG Protocol Corporate Standard. Data year: 2025 |

Emission Source: Scope 3, Category 2 Capital Goods

GHG emissions associated with the production of capital goods purchased by a company. Capital goods are long-term assets used in operations but not consumed or sold.

Activity Data Source(s)	Calculation Method	Assumptions, Exclusions and Exceptions
- Spend data is obtained from the internal procurement system. Parent categories are used to consolidate and streamline the dataset, reducing the number of spend lines for analysis. - Non-US spend is converted to USD from local currency using the applicable annual average exchange rate for the reporting year.	- Emissions are calculated using a spend-based approach by applying the relevant emission factors from the U.S. EPA Supply Chain Greenhouse Gas Emission Factors Hub. - Spend amounts (USD) are multiplied by the corresponding category-specific emission factors to estimate upstream (cradle-to-gate) emissions associated with purchased capital goods.	QVC Japan has been excluded from the analysis as data are not yet available through internal procurement system resulting in incomplete activity data coverage for the reporting year.

All calculations follow the GHG Protocol Corporate Standard. Data year: 2025 |

Emission Source: Scope 3, Category 4 Upstream Transportation and Distribution

GHG emissions from the transportation and distribution of goods and services purchased by the company, occurring before they reach the company’s operations. These are upstream emissions because they happen in the supply chain, outside of the company’s direct control.

Activity Data Source(s)	Calculation Method	Assumptions, Exclusions and Exceptions
• Transportation and logistics data are collected directly from key suppliers and logistics partners. For upstream transportation, physical activity data are obtained in accordance with the GLEC Framework and include shipment weight, transport distance, and mode of transport. • Outbound logistics activity data are sourced directly from UPS and are subject to their own third-party assurance. QVCG regularly reviews data collection processes to support continuous improvement in data quality, completeness, and consistency.	• Emissions are calculated using a distance-based methodology by combining shipment weight and transport distance to determine tonne-kilometres (or ton-miles, where applicable). • Transportation mode-specific emission factors are then applied based on the mode of transport (e.g., air, road, or ocean freight). • Emission factors are sourced from the U.S. EPA Emission Factors Hub (March 2023) and ADEME Base IMPACTS® (v2.02). • Calculated emissions are converted to metric tonnes of carbon dioxide equivalent (tCO₂e) and aggregated by transportation mode.	• No material assumptions, exclusions, or exceptions were applied.

All calculations follow the GHG Protocol Corporate Standard. Data year: 2025 |

Emissions Source Excluded: Scope 3 Category 5 Waste Generated in Operations

At present, QVCG collects and reports waste data (tonnes) by waste type; however, these data are not currently converted into greenhouse gas emissions. As a result, Scope 3 Category 5 emissions are excluded from the 2025 GHG inventory.

Activity Data Source(s)	Calculation Method	Assumptions, Exclusions and Exceptions
- Waste data are collected across operational sites and reported by waste management contractors by waste type: A) Total Waste Generated (in metric tonnes) B) Total Waste Recovered / Recycled / Reused (Sold) Total Waste Disposed = A – B - Waste streams are classified and reported in accordance with the waste hierarchy, including recovery, recycling, reuse, and disposal.	Waste quantities (tonnes) are collected and reported by waste type based on data provided by waste management contractors. Data are monitored for waste management performance, diversion rates, and year-on-year trends. Scope 3 Category 5 emissions are not currently calculated and are therefore excluded from the GHG inventory.	- Scope 3 Category 5 emissions are currently excluded from the GHG inventory due to limitations in available waste data and methodology. - For waste reporting purposes only (non-GHG), waste generation for QVC China (Shenzhen and Shanghai), QVC Poland (Krakow), and QVC Germany (Kassel) was estimated using the Zero Waste Design waste calculator where actual waste data were unavailable due to shared facilities or Building Maintenance and Operations (BMO) arrangements. - For QVC Italy, food waste quantities were estimated using container volume, collection frequency, and volume-to-mass conversion factors where direct measurement data were unavailable.

All calculations follow the GHG Protocol Corporate Standard. Data year: 2025 |

Emission Source: Scope 3, Category 6 Business Travel

This category covers greenhouse gas (GHG) emissions from employee travel for business purposes.

Activity Data Source(s)	Calculation Method	Assumptions, Exclusions and Exceptions
- Activity data for business travel are obtained from the company's travel management providers and include air travel, rail travel, and hotel stays. - Travel activity data are collected for QVC and HSN operations in the United States and QVC operations in the United Kingdom.	Business travel emissions are calculated within the travel management platform using activity data captured at the point of booking, including transportation mode, distance travelled, and accommodation information, where applicable.	- Business travel emissions for QVC Italy, QVC Japan, QVC Germany, QVC Poland, and QVC China are excluded from the 2025 inventory as travel activity data are not currently available through the global travel management platform. - The reported business travel inventory therefore reflects travel activity captured through the company's centrally managed travel booking systems.

All calculations follow the GHG Protocol Corporate Standard. Data year: 2025 |

Emission Source: Scope 3, Category 11 Use of Sold Products

GHG emissions that occur during the **use phase of products sold by the company**. These are **Scope 3 (downstream) emissions**, because they happen after the product leaves the company’s control and are generated by customers during product use.

Activity Data Source(s)	Calculation Method	Assumptions, Exclusions and Exceptions
- Product shipment data are extracted from internal source systems across QVCG markets and include product descriptions, brands, quantities shipped, and other relevant product attributes. - Products are classified into categories with direct use-phase emissions, including electricity-consuming products, refrigerant-containing products, and paraffin wax candles. - Product characteristics, including rated wattage, expected product lifetime, annual usage assumptions, refrigerant charge, and candle wax mass, are sourced from product specifications and supporting assumptions registers.	- Emissions are calculated in accordance with the GHG Protocol Scope 3 Category 11 methodology and include emissions generated during the expected lifetime use of sold products. - For electricity-consuming products, emissions are calculated using estimated lifetime electricity consumption and applicable electricity grid emission factors. - For refrigerant-containing products, emissions are calculated using refrigerant charge data and the applicable Global Warming Potential (GWP) values. - For paraffin wax candles, emissions are calculated based on the estimated combustion of wax during product use. - Emissions are aggregated and reported by market and product category.	- Where model-specific product information is unavailable, reasonable proxy assumptions and industry-recognized reference values are applied. - Only products with material direct use-phase emissions are included within the calculation boundary. Products without significant use-phase emissions are excluded. - Product lifetime assumptions and usage profiles are based on recognized industry sources, regulatory guidance, and available product information. - Refrigerant end-of-life impacts are conservatively assumed to receive no recovery credit where sufficient recovery data are unavailable. - Calculations are based on shipped product quantities during the reporting year and do not account for subsequent product returns. - Data availability and product specification limitations are monitored and reviewed annually as part of the methodology governance process.

All calculations follow the GHG Protocol Corporate Standard. Data year: 2025 |

QA/QC and Verification

Robust quality control and verification processes are implemented to ensure the accuracy and reliability of GHG inventory data.

- Data inputs are subject to monthly internal quality assurance procedures and are sampled and cross-checked against source documentation, including utility invoices, supplier records, and other third-party data sources, to verify accuracy, consistency, and completeness.
- Year-on-year comparisons are performed for the same reporting periods to identify significant variances, trends, or anomalies.
- Activity data are screened for missing entries and potential anomalies, including input, calculation, or reporting errors.
- Since 2018, the Company's Scope 1, Scope 2, and Scope 3 emissions relating to Water and Waste (Tonne only) have been subject to limited assurance by an independent third-party assurance provider, Bureau Veritas UK Ltd. Since 2025, selected material Scope 3 categories (Category 1: Purchased Goods and Services; Category 2: Capital Goods; Category 4: Upstream Transportation and Distribution; Category 6: Business Travel; and Category 11: Use of Sold Products) have also been included within the scope of limited assurance. As part of the assurance process, Bureau Veritas performs sample-based testing, data verification procedures, and reviews supporting evidence to assess the accuracy and completeness of the reported data.
- You can find a copy of the 2025 Assurance Statement [here](#)

Outlook

QVCG is committed to driving progress and Protecting Our Environment

Forward-looking actions include:

- Implementation of a refreshed Scope 3 emissions baseline, incorporating enhanced data sources and refined methodologies to improve the accuracy and completeness of emissions.
- Continued progress toward the 2030 target of a 50% reduction from a 2018 baseline in Scope 1 and 2 GHG emissions.
- Expansion of renewable energy initiatives to further decarbonize operations.
- Ongoing reductions in emissions intensity across packaging and logistics activities.

