

SOHO HOUSE

CLIMATE-RELATED FINANCIAL DISCLOSURE REPORT

For the year ended 31 December 2023



CONTENTS

Overview	2
Governance	5
Strategy	8
Risk management	17
Metrics and targets	22

This is Soho House & Co Inc.'s (referred to hereafter as Soho House) second year of Climate-related Financial Disclosure (CFD) reporting, which is prepared on a voluntary basis and builds upon the initial report in 2022.

Overview

Soho House & Co Inc. has continued to use the Taskforce on Climate related Financial Disclosures (TCFD)¹ recommendations, recently incorporated into International Sustainability Standards Board's (ISSB) IFRS S2 framework, as our primary climate disclosure for investors, stakeholders, suppliers and customers. We believe that the TCFD framework, now CFD, provides the most robust and appropriate disclosure mechanism for our business, following careful consideration of the multiple frameworks and disclosure regulations available.

Soho House & Co ("SHCO") is a global membership platform of physical and digital spaces that connects a vibrant, diverse group of members from across the world. These members use the SHCO platform to both work and socialize, to connect, create, have fun and drive a positive change.

Our central pillar is Soho House, which continues to drive the majority of our membership and revenue today. A Soho House membership offers access to a network of distinctive and carefully curated Houses, across North America, the United Kingdom, Europe and Asia, which serve as the cornerstone of our member experience.

As of December 31, 2023, we have approximately 259,900 members (including approximately 193,900 Soho House members) who engage with SHCO through our global portfolio of 42 Soho Houses, 9 Soho Works, Scorpions Beach Club in Mykonos, Soho Home, our interiors and lifestyle retail brand, and our digital channels. The Ned hotels in London, New York and Doha and The LINE and Saguaro hotels in North America also form part of SHCO's wider portfolio via management agreements to operate the properties.

At the end of 2023 TCFD was disbanded and ISSB, a subsidiary of the organization IFRS, has taken the responsibility of monitoring the progress of companies' climate-related disclosures. It uses an almost identical framework to TCFD, the main distinction is that it requires an entity to disclose information about all climate-related risks and opportunities that could reasonably be expected to affect the entity's cash flows, its access to finance or cost of capital over the short, medium or long term. These have all been taken into account for Soho House's financial year 2023 CFD report.

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Soho House wholly owns only 3 out of the 70 sites it operates. Only possessing 4% ownership of total sites limits our ability to influence structural changes for energy efficiency upgrades or resilience measures compared to 100% wholly-owned sites. This dependency on landlords complicates efforts to implement climate-related initiatives uniformly across our portfolio, as decisions related to building maintenance and upgrades are largely outside of Soho House's direct control.

We believe that climate change related risks and opportunities are an important focus for the business over the coming years and we are resolved to meet the challenges presented by climate change in the management of our global operations and through engagement with our suppliers, members, and guests. We aim for all our sites and assets to be resilient to climate change while advancing the productivity of our operations.

Guided by our 2030 goal (50% reduction in Scope 1 and 2 emissions from our FY22 baseline year) in 2023, we are focused on forming an efficient and sustainable approach wherever we operate and do business. Our House Foundations team continues to collaborate with internal teams as well as partners and external specialist advisors. The Soho House & Co Inc Board, through its audit committee bears the ultimate responsibility for supervising the risks and opportunities associated with climate and nature impacts that have the potential to affect our business operations.

Since the release of Soho House's FY22 CFD report we have scaled up our climate strategy and initiatives that were originally proposed. This includes the roll out of our House audit programme in both the USA and the UK and energy efficiency project case studies for Soho House New York and Portland. New globally adopted schemes have also been introduced. We have developed our climate-related risk management process, which has evolved from identifying risks, to prioritising those risks that meet the relevant criteria and our response actions. The trajectory we set with our targets and metrics in 2022 remains the same, which we have assessed our year-on-year progress against in 2023.

Governance

(a) Board oversight

We use our corporate structures to effectively ensure governance of strategy and related targets. This begins with the board of directors - Andrew Carnie, CEO, remains as our board member and director with ultimate responsibility for the ESG strategy and as the final overseer for the performance of the business. Last year was the first time a CFD report was presented to the audit committee. Soho House & Co's audit committee assists the board with oversight of ESG matters, with continued consideration of climate-related risks and opportunities, ensuring that climate governance is fully included in our corporate governance.

The audit committee comprises three independent members of the board of directors.

b) Management's role in assessing and managing climate-related risks and opportunities

The committee delegates responsibility to the House Foundations team who manages the overall climate-related risks and opportunities process. In the same manner as last year, the House Foundations team leads and is responsible for day-to-day management of the Soho House climate plan, as well as our social impact and sustainability programme - collaborating closely with site managers to ensure alignment with the company's overarching objectives. This entails comprehensive oversight of initiatives aimed at mitigating environmental impact and climate-related risks as well as enhancing sustainability practices throughout our business operations.

Soho House is proud to refresh our Sustainability Ambassador programme in 2024. With Sustainability Ambassadors now appointed at most sites and updated training and guidance provided globally, we are reinforcing our commitment to sustainability at every operational level. In 2023, we had a global sustainability ambassador online platform. The page enabled and encouraged the sharing of sustainability initiatives, programmes, successes and challenges across the houses. In 2024, we plan to expand this ambassador group by having a nominated ambassador per site and designing a more structured programme that will increase knowledge sharing and the number of initiatives and programmes that launch at each location.

Sustainability Ambassadors, along with the continued support from site managers, play a pivotal role in implementing policies and fostering awareness among employees regarding the company's climate goals and objectives. The design and planning of our sustainability refresh training began in 2023. The refreshed training modules are to be delivered in 2024 (Figure 3). New Sustainability Ambassadors have been appointed to replace those who have left certain sites, all of which will receive the necessary training and guidance, which has been updated by the House Foundations team. The new training is not only for ambassadors, but for all staff members and managers.

In 2024 we plan to improve this ambassador group by updating and redelivering our sustainability training, and by launching a more structured programme that will increase knowledge sharing, impactful initiatives, and improved data collection. This will involve a combination of three sustainability modules which are under constant development. Please refer to Figure 3 for more information.

Soho House created no new climate change mitigation or carbon policies in 2023. Our last policy on this topic was released in 2022.

Figure 3

<p>Module 1 – Will focus on sustainability basics and will be delivered by House Trainers in each House as a monthly focus. This training will be delivered to all staff.</p>	<ul style="list-style-type: none"> • What does Sustainability mean at Soho House • Why does Sustainability matter? • What does Sustainability mean for your specific role • 2 Interactive Exercises & 1 Quiz
<p>Module 2 – This will be delivered to the sustainability ambassadors and the content will be more tailored and specific to sustainability in the operational role (energy efficiency actions and consumption monitoring).</p>	<ul style="list-style-type: none"> • Refresh of Sustainability Basics • What is a Sustainability Ambassador? • How to make a difference? • Information, Guidance and Actions for: Energy, Water, Waste, Pollutants • 2 Interactive Exercises & 1 Quiz
<p>Module 3 – This will be delivered to Head of Departments and Managers and will contain information about how to imbed sustainability into their teams and support in the operations.</p>	<ul style="list-style-type: none"> • Refresh of Sustainability Basics • The Business Case for Sustainability • Implementing Sustainable Leadership • 2 Interactive Exercises

ESG governance structure

Soho House & Co Inc. Board

Oversee financial and business strategies and major corporate actions, assess and manage risks, select and oversee management

Audit Committee

Assist the board in oversight of ESG matters, review climate-related risks, opportunities and the wider strategy on a quarterly basis

Senior Leadership

Oversee the ESG strategy and goals for the company

CEO

Chief Financial Officer

**Chief Communications
Officer**

House Foundations team

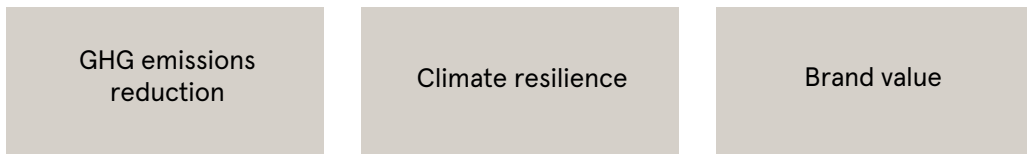
Set the ESG strategy and goals, oversee implementation across all levels of the business. Manage reporting and stakeholder engagement

Site managers and sustainability ambassadors

Determine best practices to align with our ESG goals and drive implementation of the strategy in our operations

Strategy

Building upon the foundation laid in the previous year's CFD report, our climate strategy remains anchored in three core pillars, each crucial for reducing our current environmental impact and driving resilience across our operations through a clear roadmap. Each of these pillars have initiatives and projects that are trialled across the Houses, with a sample at a regional or site-level, before being rolled out at a global scale, to help us understand cost and effectiveness along with staff and member responses. Through this we gain invaluable insight into the feasibility of these initiatives.



GHG emissions reduction

We continue to believe that emissions reduction is an essential adjunct to our overall commercial strategy, delivering reduced climate impact in line with global agreements to limit the impact from climate change to a 1.5-2 degrees Celsius range. Although we are aware that achieving the Paris Agreement's <1.5°C target is no longer a realistic pathway. Several sites have experienced our planned emissions reduction strategy, where we have trialled and implemented localised solutions to support a wider rollout globally. This approach is designed to deliver both a lower greenhouse gas emissions impact and support reduced operational costs and wider impact on the communities where we operate. These initiatives comprise of energy efficiency programmes and waste audits.

Some initiatives have started to be applied at a global scale. In 2023 we launched a towel reuse trial across 4 Houses: White City, Berlin, New York, Mumbai. The aim of the initiative is to reduce our laundry use frequency with the goal of reducing our emissions from utility consumption, as well as water and chemical use. So far, we have encountered no marked challenges in the adoption of this programme by both Houses and members. We plan to launch this globally in 2024. Since the trial was implemented, we have monitored the average reduction in washes per room for White City House, London – 5% reduction in towel washes and 12% reduction in hand towels. We saw an average room opt-in rate of 15% across the international sites. These results have led us to already extend this programme to more applicable sites, where regions are at risk of water scarcity, including Soho House Barcelona.

Climate resilience

To prevent a reactive scenario where Soho House would have major reliance on unproven technologies due to aggressive regulation and policy post-2030, we have taken a proactive route to minimise the potential risks that accompany a rapid pivot in climate transition. This involves an initial light-weight assessment of potential outcomes stemming from extreme pathways such as stringent climate-related regulations and a delayed transition with high physical risks.

The geographical spread of our sites exposes us to the significant challenges that the changing global climate brings to our operations and the communities we are in. Our strategy places climate resilience as a key pillar of our wider climate strategy, to ensure that we can continue to offer the best member experience and grow sustainably. Climate resilience for our business is based upon a model of operations that reduces our reliance and demand upon resources sourced from at risk locations, whilst ensuring our ability to deliver high quality services.

ESG risk register and double materiality update

To support our climate resilience strategy, in 2023 we created an ESG risk register to help us identify and manage sustainability related risk, including climate-related risks as well as our social impact risks. The risk register was created by the House Foundations team in collaboration with Soho House's external sustainability advisors, The Sustainability Group.

To ensure continuous consideration of our staff and member perspectives, we cross-referenced the concerns highlighted in our 2022 Member Materiality Assessment survey with our risk register. This then allows us to revisit these risks in relation to our reputational standing amongst our most important stakeholders, and ensure we communicate on these issues effectively.

We are currently working through the risks identified as high priority to determine next steps. Soho House will continue monitoring the regulatory environment across our global portfolio and capitalise on any relevant (e.g. energy efficiency, net zero or social equity) grants and schemes available in the areas we operate.

For further information on updates and changes to our ESG risk and materiality process please refer to our 2023 ESG Report.

Brand value

Our brand remains one of our strongest assets with international recognition and a loyal member base. Our climate strategy is informed by our commercial purpose, and the centrality of our brand and its value to our commercial success. People are at the heart of our business, and this is core to our wider sustainability vision and values. Rooted in our commercial purpose, our climate strategy remains intricately linked to our brand and its commitment to people – employees, members and communities – reflecting our broader values and ethos. In 2023 we began to plan better member engagement on sustainability issues.

We conducted a thorough Materiality Assessment in 2022, that included sustainability initiatives, which involved distributing a survey to our members. The results indicated that our members rank sustainability issues as not an immediate priority, meaning that environmental considerations may not be a primary focus for our Board in the upcoming earnings period. Nevertheless, this does not diminish our commitment towards our climate goals and building greater operational efficiency.

Our brand value serves as a guiding principle in shaping and implementing our climate strategy, serving as a beacon for both internal and external stakeholders. By placing emphasis on brand value, we ensure that all stakeholders involved are informed and aligned with our climate objectives. Our aspiration is to emerge amongst the frontrunners in sustainability within our sector, achieving this by consistently delivering tangible results and demonstrating the value of our efforts in mitigating climate impact across our global operations.

- a) Identified climate-related risks and opportunities over short, medium and long-term horizons

We have divided our risks and opportunities in line with the recommendations of TCFD/IFRS S2 and their relevance to our operations. Similarly to last year, where financial implications can be reasonably assessed they have been, with those that cannot be reasonably estimated requiring further quantitative analysis to generate adequate estimations. Updates to financial estimations of identified risks and opportunities will be provided in subsequent annual CFD and ESG reports. The projection of potential financial impacts has been undertaken to manage both risk and opportunity where impact can be reasonably quantified but are not yet fully reflected in our current financial projections and budgets. Where risks and opportunities have not yet been quantified these are expected to be assessed in tandem with the decarbonisation pathway development plan and associated benefits.

b) The actual and potential impacts of climate-related risks and opportunities on the organisations business strategy and financial planning

Table 1. Matrix showing climate-related transitional risks: Regulatory and Technology

Transitional Risk	Risk Description	Risk Examples & Impact	Immediacy	Risk	2023 Changes & Updates
Regulatory	Emergence of carbon/emissions taxes and energy efficiency/ waste disposal regulation	<p>Utility cost increases.</p> <p>Preventive investment in measures or technology to reduce GHG emissions per unit of output or to reduce energy intensity of processes.</p> <p>Soho House's relevant departments are engaging with property managers and landlords/owners so that each site is aware of emerging regulations involving valuable assets e.g. HVAC systems.</p>	Medium	Medium	<p>SHNY upgrades to commence in 2024.</p> <p>Soho House is starting to explore the potential financial implications of additional fuel and energy taxes. As well as exploring how these can affect our design standards.</p>
	Current legal energy efficiency requirements/ regulations	<p>As of April 2023 all UK rented commercial properties must hold an EPC rating of 'E' or better. This will increase to 'C' by 2027 and 'B' by 2030.</p> <p>This encompasses legislation enacted in New York City in 2019, mandating that the majority of buildings exceeding 25,000 square feet comply with energy efficiency standards and greenhouse gas emissions quotas by 2024, with more stringent requirements slated for implementation by 2030.</p>	Short - medium	Low - medium	<p>Soho House operates in the following countries: UK, USA, Canada, Mexico, Spain, Netherlands, Greece, France, Germany, Turkey, Israel, Italy, Sweden, Denmark, Hong Kong, Thailand, India, and soon Brazil. Our necessary teams review upcoming energy efficiency and environmental regulations for each region.</p> <p>For example, Soho House Portland was bound by Oregon state regulation. This is what drove our 2023 renovation project.</p>
	Increased exposure to litigation/investor activism	SH operates in the following countries: UK, USA, Canada, Mexico, Spain, Netherlands, Greece, France, Germany, Turkey, Israel, Italy, Sweden, Denmark, Hong Kong, Thailand, India, and soon Brazil.	Medium	Low-Medium	None
	New climate disclosure requirements	Monitoring, reporting and auditing costs will increase.	Medium-long	Medium	<p>Preparedness by completing CFD for the second year.</p> <p>Reviewing CSRD with our sustainability consultants, legal & finance.</p>
	Tightening of environmental/ emissions regulations	Provisions need to be made in case of immediate regulation changes.	Short	High	Use SHNY upgrades as blueprint for global sites New Houses designed more sustainably e.g. Portland.

Technology	Rise in fuel and energy-related cost	Energy prices will continue to rise.	Short	Low	Energy spend increased 8% for Soho House's UK sites.
	Supply Chain data capture	Risk of uncontrolled Scope 3 emissions impacts.	Medium	High	Soho House has engaged with external advisors, Carbon Responsible, to track Scope 3 emissions. This includes tracking and reporting wider supply chain impact such as material use, food and commercial waste, as well as water consumption. Begun to focus on responsible local sourcing initiatives.
	Restrictions on vehicle type usage	EU/UK phasing out of ICE vehicles - replacement cost.	Short	Low	Soho House has 7 sites with vehicle fleets: Soho House Berlin; Soho Roc House Mykonos; Scorpions Mykonos; Soho Beach House Canouan; Little Beach House Barcelona; Babington House; Soho Farmhouse. We are paying close attention to internal combustion engine regulations - for instance, the UK and EU's proposed 2035 fossil fuel car ban.

Table 2. Matrix showing climate-related transitional risks: Market and Reputation

Transitional Risk	Risk Description	Risk Examples	Immediacy	Risk	2023 Changes & Updates
Market	Purchase of offsets (product) risk. This can also risk reputation	Risk of paying for non-performing carbon removal offsets. Increase in research into carbon credits reveals flaws in voluntary offset markets.	Short	Medium	Soho House has paused our offsetting ambitions while we review options to decrease reliance on the carbon credit market. Instead, we are looking at investing in biodiversity projects and inssetting.
	Rise in purchase and operating (utility) costs	The most recognisable price increase is in electricity and gas suppliers. However, this increase can be reflected throughout other services purchased e.g., laundry.	Short	Medium	Use Soho House New York and Portland upgrades as blueprint for global sites. Soho House only wholly owns 4% of buildings we operate in. However, this rise will indirectly affect operating costs.
	Change in insurance conditions	Increased insurance premiums for landlords can increase Soho House's cost to operate buildings.	Short	High	We engaged insurers to undertake a study into our exposure to climate events and issues

Reputation	Failure to achieve publicly disclosed targets	The UK government has identified a large proportion of companies that are at risk of not following TCFD framework correctly.	Short	Medium	We have set a target of 50% reduction in Scope 1, 2 and 3 by 2030. The next step is to update and evaluate target (new emissions sources or change in operations can justify a new baseline).
	Environmental supply chain issues	Dealing with reputational issues is time-consuming and costly (fact finding, communications, legal) and provisions may need to be made to cover for such cases.	Medium	Medium-low	Soho House continues to engage with a wide range of stakeholders (members, guests, employees, and business partners) and evaluates how each of them prioritises sustainability/climate-related issues. 2023 results showed that climate issues were low on our members agenda.

Table 3. Matrix showing climate-related physical risks: Acute and Chronic

Physical Risk	Risk Description	Risk Examples	Immediacy	Risk	2023 Changes & Updates
Acute	Extreme weather - storms and floods	A write-down or write-off of assets may result in temporary loss of revenues or investment needed to repair or rebuild.	Short-medium	Medium	Our commitment involves actively preventing, preparing, and responding to business disruptions caused by extreme weather events. This commitment extends to our comprehensive approach to business continuity planning across the organisation, and the prioritising of risk identification and response.
	Extreme wind conditions (coastal)	Risk of asset damage and cost to repair e.g., inability to secure insurance in 'high' risk areas.	Short	Medium	
Chronic	Changing weather patterns	E.g., increased heat or rainfall may change member travel habits and/or increase energy costs for cooling/heating.	Long	Medium	None
	Higher temperatures	Higher temperatures may lead to an increase of fuel consumption for cooling and associated costs.	Medium	Medium	Barcelona water scarcity led to us implementing the trial towel re-use programme alongside a series of other water-saving measures.
	Supply chain disruption Water scarcity	Food shortages and related cost increases. Insufficient water supply leads to loss of revenues due to lost guest capacity, or increase of operating costs because water prices rise with scarce supply.	Medium-long Medium-Long	Low-medium Medium	None None

Table 4. Matrix showing climate-related opportunities: Resource Efficiency, Energy Source, Products and Services, Markets, and Resilience

Opportunity	Description	Examples	Immediacy	Opportunity	2023 Changes and Updates
Resource Efficiency	Efficiency in water consumption and disposal	Although dependent on location of sites, water prices are increasing – a resource which is needed for Houses, spas, pools, bathrooms, bedrooms and restaurants.	Short-medium	Low	Sustainability training in 2024 includes training for Sustainability Ambassadors and Operations Teams.
	Purchase of recycled materials	The purchase of recycled material as a substitute for new material leads to reduced costs, can be lower than those for new materials and have a lower CO2 impact.	Short	Low	<p>Prioritized recycled materials in staff and member products to cut emissions.</p> <ul style="list-style-type: none"> • Staff clothing and shoes feature recycled materials. • Use 100% recycled paper napkins and LDPE ice buckets. • Integrating recycled materials lowers footprint, supports circular economy.
	Reducing purchase cost through monitoring utility and other service consumption	Cost saving through identifying excessive consumption and purchases through tracking and monitoring of utility consumption and other services (laundry service, product suppliers).	Short	Medium	Towel reuse programme. Better site data from 2023. We will use this as guidance for each site to make improvements.
	Operational efficiency through use of government grants and schemes	Installing more efficient boilers and chillers etc. Increase value of fixed assets due to achieving high energy efficiency rating.	Short	Medium	Grant scheme used. Switched to LED lightbulbs in NYC, looking at North America roll out.
	Increasing availability of financially viable energy efficient technology	Investment in energy efficiency measures such as LED lighting, HVAC upgrades, building management systems etc.	Medium	High	<p>Switched to LED lightbulbs in NYC, looking at North America roll out.</p> <p>Upgraded energy infrastructure, by fitting double glazed windows, central cooling systems and induction hobs at 8 sites.</p>
Energy Source	Increase renewables purchasing – reduce exposure to market variation in energy prices	Already piloted in Soho House properties, further rollout will maximise renewable energy benefits.	Short-medium	High	No further expansion for investment in onsite renewables.
	Increase in access for renewable finance	Increase number of sites sourcing renewable energy; sell excess electricity to local grid or market.	Short-medium	High	None

Products and Services	Increase talent retention by aligning with employee values	Secondary effects: reduce cost of recruitment and improved talent retention.	Short	Low	Internal sustainability campaign for 2024
	Progress towards emission targets can improve cash flow, operational cost, market valuation	Reduced costs from energy and material usage, coupled with reduced carbon cost liability.	Medium	Medium-high	No significantly evident cost savings or increase in valuation can be attributed to monitoring and managing our emissions and climate risks.
	Changes in insurance conditions	Climate resilient buildings are more attractive for insurers and reduction of insurance costs.	Medium	Medium-low	No update to this potential opportunity.
Resilience	Supply Chain resilience /development of Scope 3 tracking	Engaging with and monitoring supply-chain emissions and risks. Establishing contract emissions obligations for suppliers.	Medium	High	We began engaging with our suppliers in 2023. We will begin assessing our top suppliers emissions impact in FY24.

c) Resilience of strategy, including impact of different climate-related scenarios scenario analysis

Soho House has investigated using climate scenario analysis to further examine and prioritise the potential risks and opportunities associated with possible transition pathways. We are exploring scenario analysis as a high-level tool to assess potential impacts on our assets and operations across various regions. By adopting this methodology, Soho House aims to eventually identify and understand the range of validated climate scenarios and their corresponding financial implications, allowing for more informed commercial decision-making and not just a risk management tool to assess climate reliance. We are planning to analyse two of IPCC's RCP scenarios, one being RCP 2.6: 1.5°C – 2°C (Stringent Pathway) and the other being RCP 3.4: 2°C – 2.4°C (Pathway with Climate measures).

Case study: Soho House Portland

Soho House's Environmental, Social and Governance (ESG) programme, House Foundations, aims to make a positive impact on our people, the lives of our members and the environment.

Soho House Portland reuses and thoughtfully restores the historic Troy Laundry Company building, an approach that utilises and extends the lifecycle of the embodied carbon already invested in the original build. The refurbishment sought to improve energy efficiency in the site, including a historic window retrofit with conversion to insulated glass to replace single panes, and a mechanical building system that optimises heating, cooling and kitchen equipment to use.

The adaptive reuse of the building continues on the rooftop, inspired by classical Victorian greenhouses but designed with thermally broken window and door systems, which help maintain a constant temperature, as well as energy efficient insulated glazing panels throughout. A fully automated lighting system regulates energy use across the club spaces, and there are a number of green roof areas as well as planters for rainwater harvesting.

The House will aim to support our global sustainability goals; to reduce carbon emissions in our operations, to promote responsible consumption and divert food and non-food waste from landfill, to minimise environmentally harmful practices and to uphold an environmental and ethical standard in our supply chain.



Risk management

In FY23 our risk management strategy commenced with a standard internal evaluation of transition risks and opportunities by the House Foundations team and sustainability advisors, The Sustainability Group. These have been fully reviewed and weighted according to their relevance to our operations and are shown in the table below. Soho House has reduced the frequency of assessing climate-related risks and opportunities through the audit committee from semi-annual to annual reviews. By doing this we can allocate more resources and attention for each assessment to ensure a deeper analysis. This also allows Soho House to have a deeper understanding of emerging trends, potential risks, and mitigation strategies. These reviews are finalised by the audit committee, based upon the assessments undertaken by the management team and supported by specialist external specialists, to ensure that our risk management is comprehensive and aligned to the wider climate objectives and strategy of the company.

a) Processes for identifying and assessing climate-related risks

All risks are assessed by likelihood of impact in a given time range and are prioritised on this basis, with regular reviews to ensure they are reflective of the risks and opportunities presented by the transition to a lower carbon economy and the physical risks that could emerge as the global climate changes. The timeframe used is Short Term for 1-5 years, Medium Term 5-10 years and Long-Term 10+ years. The timeframes represent a reasonable assessment of each risk and opportunity based upon currently available information and will be reviewed during the half yearly assessment process. All risks are rated as low, medium and high based upon current assessments, which also remain under regular review. The list of risks and opportunities identified may not be exhaustive and may increase/decrease on an annual basis.

We have continued to build on the existing Soho House risk and opportunity matrix which receives an annual review by the audit committee. The matrices are supported by improved climate-related operational data to assess timeframes and risk levels as well as developing financial impact assessments to comprehend what is material and relevant to us. Where a risk is graded as low or not applicable this will remain under continual review.

Any identified risk and opportunity calculations are being assessed in tandem with the decarbonisation pathway development plan and associated benefits.

The preparation of the risks and opportunities have not been based upon commissioned analysis of climate scenarios for each of the locations in which we operate, as this is considered impractical. We consider the Representative Concentration Pathway RCP 2.6 prepared by the IPCC as the most likely current scenario for global emissions and accept that the localised impact of climate change cannot be accurately predicted.

The acute and chronic physical risks identified are based upon the likely global impacts associated with RCP 2.6 and will continue to be refined with local modelling as available. The use of the Met Office for UK impact assessments will inform the UK specific risks and similar national level models will be used, where available. National models will be recommended to each region as and when identified as being suitable for purpose.

b) Processes for managing climate-related risks

Risk and Opportunity Actions

Low risks have not been addressed as they are not as considered business as usual risk. We decided it was more effective to narrow down our climate-related risks and opportunities and to provide details on changes and updates. We have removed risks that won't be material in next 10-20 years. Although we do recognise the risk of stranded assets – short term risks should be focused on as more valuable and should be assessed as to whether they will be found in certain reporting categories come July 2024. To illustrate this, our Soho House Portland site renovation case study will be used as a reference if another site required the replacement of thermostats.

We expanded and introduced a range of actions and trials in our Houses to reduce our environmental impact through the ongoing implementation of energy efficiency and improved resource use. Many of the actions mentioned in this section comprise the current early responses to manage and mitigate potential climate-related risks that have been identified in the matrices above.

Opportunities that were suggested in our 2022 CFD report have begun to be capitalised on and new actions were proposed and/or implemented in 2023 that remain in close alignment with our climate strategy and key pillars.

Audits

Our energy-related emissions still contribute a significant portion of our total impact, which continues to be our primary motive for reducing our energy consumption and increasing our use of renewables (both onsite and through power purchase agreements). In order to manage this risk, last year we initiated a programme of House audits. Our first audit last year was Ludlow House, New York which set in motion our programme to better understand the energy use and efficiency of our sites to support forward planning of reduction initiatives and support a decarbonisation pathway.

Since then, we have completed two more audits, one for Soho House New York and the other for DUMBO House, New York. As mentioned in the strategy section, these audits have led to energy efficiency upgrade recommendations that will be applied at Soho House New York in 2024 – we plan to use the results for strategic planning to implement wider changes across our sites that help us progress along our decarbonisation trajectory.

Other energy efficiency assessments and upgrades include five of our UK sites completing the Energy Savings Opportunity Scheme (ESOS) in which we plan to review and implement the recommendations to be released during 2024. Soho House is currently on track to meet the ESOS Phase 3 deadline.

Included sites:

- Soho Farmhouse
- Babington House (owned site)
- White City House
- Cecconi's Mayfair
- Soho House Greek Street

Finally, White City House undertook a waste audit in 2023, where we are reviewing the results of this to issue guidance to our global sites in 2024. The objective of the audit was to critically assess the current waste management practices including but not limited to onsite service provision, the adequacy of internal waste infrastructure and back of house resources. The ambition of which was to identify areas where waste management practices were having a negative impact on operational performance. The results and recommendations of the audit provided clear and achievable guidance on how to improve the waste management at White City House but also across other Houses, which is something we plan to work on in 2024.



Emissions reduction and resilience to regulation

Following its' 20th birthday year, we are working on energy efficiency upgrades for Soho House New York, our original North America site, which will commence in 2024. The final proposal for this renovation project is in review. These include installing kitchen demand control ventilation and upgrading to LED lightbulbs. We are in the process of reviewing the installation of a building management system, heat pumps and a new boiler system and hope to begin making these upgrades from 2024. The next 24 months of emissions reporting should determine the success of this project against the objective of emissions reduction. Certain aspects, for example switching to LED lightbulbs, will first look to be extended to our North American sites.

It must be stated that the renovation project for Soho House New York is equally as relevant to our climate resilience pillar as it is to our GHG reduction objective. The introduction of New York City's carbon tax under Local Law 97, which comes into effect in 2024, presents a significant opportunity for companies with buildings in New York, particularly those over a certain size threshold (25,000 sq.ft), which our New York site exceeds. While operating leaseholders may not bear full responsibility for emissions produced in these buildings, compliance with the law can be integrated into Soho House's climate resilience strategy. By investing in energy efficiency upgrades as part of our renovation plans, we not only ensure compliance with the law but also drive low carbon sustainable practices within our operations. The return on investment from these upgrades could be substantial, not only in terms of reduced carbon tax liabilities but also in long-term cost savings and enhanced resilience against future regulatory changes and climate-related risks.

LED light installation

The implementation of audit recommendations has been achieved at several sites. For instance, in New York we were part of a rebate programme whereby we were able to replace 16,370 lightbulbs across 7 sites with LED bulbs. Soho House will continue to consider the most effective use of capital expenditure whilst we invest in making our sites resilient to climate risks. The identification of energy efficiency opportunities should increase since we refreshed sustainability training for global teams, with data-led targets set site-by-site. All operational team members will continue to undergo sustainability training, with energy efficiency a key focus. Soho House now has Sustainability Ambassadors across our sites. We aim to have one consistently at every site so that each one has a clear climate strategy managed by a Sustainability Ambassador.

Towel Reuse Programme

Certain initiatives were adopted for the first time. For example, we introduced a towel reuse programme for our global sites that falls under our water reduction plan, which we referred to earlier in the 'Strategy' section. The objective is to decrease the frequency of laundry usage, thereby reducing emissions associated with utility consumption, as well as minimizing water and chemical usage. Since launching the scheme, a percentage of rooms have opted in at the following sites: 18% in our New York club, 21% in Mumbai, and 14% in Berlin. As mentioned in our strategy for brand value, in 2023 we began to plan better member engagement on sustainability issues, the towel reuse programme is a prime example of this business-member collaboration.

Material Use Reduction

In our ongoing efforts to reduce material use emissions, we have prioritised the incorporation of recycled materials into our products for both staff and members. Our commitment to sustainability is evident in our procurement choices, as we have invested in various items crafted from recycled materials. Specifically, our staff clothing features recycled polyester, while our staff shoes possess soles made from recycled plastic bottles. Furthermore, we use napkins made from 100% recycled paper and employ ice buckets crafted from recycled LDPE. By integrating recycled materials into our products, we not only decrease our environmental footprint but also contribute to the circular economy by giving new life to already existing resources and materials.

Onsite Renewables

There has been no onsite renewable expansion since we calculated that 9% of our global sites were using renewable energy in 2022. As of yet, no interim targets have been set to improve this figure.

(c) Managing climate-related risks compared to the organisation's overall risk management

Soho House's transition strategy and climate-related risks are addressed independently within our annual reporting framework. It is worth noting that while Soho House does not maintain a comprehensive companywide risk register, these specific considerations are diligently managed and reported on. For instance, we disclose climate-related risks alongside other business risks to our shareholders through our [10-K report](#). This encompasses various climate-related risks, including physical impacts, as well as factors like fuel and transport expenses, potential regulatory changes increasing energy costs, and disruptions in food production or transportation.

Metrics & Targets

a) Metrics used to assess climate-related risks and opportunities in line with its strategy & risk management process

Our ability to manage climate impacts and opportunities relies on our ability to understand our emissions profile and sources, and to develop strong targets for action across the business.

We began measurement of our carbon emissions in 2020 across our UK sites. Since 2021, we have engaged external experts Carbon Responsible to report on and improve the quality and scope of our emissions impact. This reporting has built year on year upon initial measurements of impact that were undertaken in the UK in 2019, and now consistently reports on global energy use, and emissions, as well as several key sources of emissions in Scope 3.

Reporting of global Scope 1 & 2 emissions has been comprehensive and remains consistent in 2022 and 2023. The data quality is enhanced in 2023 in comparison to 2022, with more properties using actual data, instead of needing to estimate using benchmarking from other properties. Scope 3 reporting has expanded in 2023 to include emissions from air and rail travel, and hotels stays, employee commuting and homeworking, waste, water, freighting, and supply chain impact.

Figure 6: Scope 3 emissions reporting

Scope 3 Category	GHG Category	Type	Data Capability	Relevance
1	Purchased goods & services	Water supply	Estimated	Reported
	Purchased goods & services	Material use	Excluded	Not yet quantified
	Purchased goods & services	Supply chain	Estimated	Reported
2	Capital goods	Capital goods	Excluded	Not yet quantified
3	Fuel & energy related activities not included in Scope 1 and 2	Electricity T&D and WTT	Estimated	Reported
	Fuel & energy related activities not included in Scope 1 and 2	Fuel WTT	Estimated	Reported
4	Upstream Transportation & Distribution	Freight (upstream)	Measured	Reported
5	Waste generated in operations	Water treatment and Waste disposal	Estimated	Reported
		Business travel	Third-party vehicle use, Business travel, and Hotel Stay	Measured
7	Employee commuting	Employee commuting	Estimated	Reported
8	Upstream leased assets	Upstream leased assets	Excluded	Not applicable
9	Downstream transportation & distribution	Freight (downstream)	Excluded	Not yet quantified
10	Processing of sold products	Processing of sold products	Excluded	Not yet quantified
11	Use of sold products	Use of sold products	Excluded	Not yet quantified
12	End-of-Life treatment of sold products	End-of-life treatment of sold products	Excluded	Not yet quantified
13	Downstream leased assets	Downstream leased assets	Excluded	Not applicable
14	Franchises	Franchises	Excluded	Not applicable
15	Investments	Investments	Excluded	Not applicable

As stated in our wider ESG goals in 2022, we aimed to report on and engage suppliers to reduce our wider indirect impact from operations, where we can influence but not fully control our emissions. As a result, in 2023, we contacted suppliers that fell within the top 26% of spend with suppliers. Of these, 5 suppliers, representing 9% of the top 80% of supplier spend, supplied activity or emissions data, and revenue to us, enabling us to allocate emissions from our supply chain to our Scope 3 Category 1: Purchased goods and services impact, based on our spend with them. We aim to enhance supply chain assessment in 2024, to measure impact from a greater proportion of our supply chain. Subject to achieving a robust baseline, targets and reduction pathways can be established. The global nature of our operations and supplier spend will dictate the phasing and scope of supply chain targets to reflect the scale of purchasing and accompanying ability of the company to influence reduction across our global supply chain.

For 2023, we have been able to report Scope 1, Scope 2 and Scope 3 impacts across Soho House and associated brands (Soho Works, Soho Home, our restaurants), as below.

b) Scope 1, 2 and Scope 3 greenhouse gas (GHG) emissions, and related risks

Non-UK Sites						
Division	Scope 1 (tCO2e)	Scope 2 (tCO2e)	Scope 3 (tCO2e)	All Scopes (tCO2e)	Floor area (sqft)	tCO2e /sqft
House	5,068.46	19,401.92	14,370.88	38,841.26	1,809,936	0.0215
Home	0.00	29.28	9.53	38.81	9,000	0.0043
Works	0.00	1,127.73	459.81	1,587.54	97,937	0.0162
All Divisions	5,068.46	20,558.93	14,840.21	40,467.61	1,916,873	0.0211

UK Sites						
Division	Scope 1 (tCO2e)	Scope 2 (tCO2e)	Scope 3 (tCO2e)	All Scopes (tCO2e)	Floor area (sqft)	tCO2e /sqft
House	5,312.78	4,603.75	8,201.23	18,117.75	600,626	0.0302
Home	0.00	21.23	7.37	28.61	15,557	0.0018
Works	181.73	332.81	216.86	731.40	103,100	0.0071
All Divisions	5,494.51	4,957.79	8,425.47	18,877.76	719,283	0.0262

Global						
Division	Scope 1 (tCO2e)	Scope 2 (tCO2e)	Scope 3 (tCO2e)	All Scopes (tCO2e)	Floor area (sqft)	tCO2e /sqft
House	10,381.24	24,005.67	22,572.10	56,959.01	2,410,562	0.0236
Home	0.00	50.52	16.90	67.42	24,557	0.0027
Works	181.73	1,460.54	676.67	2,318.94	201,037	0.0115
All Divisions	10,562.97	25,516.72	23,265.68	59,345.37	2,636,156	0.0225

Year on year reporting shown below (Granular data can be found in Soho House's 2023 SECR report)

Global Soho House, Soho Home, Soho Works			
Total Sq.Ft	2022	2023	YOY % Change
Sq.Ft	2,516,923	2,636,156	+4.74%
Total Emissions	2022	2023	YOY % Change
tCO2e	42,075.73	59,345.37	+41.04%
tCO2e/Sq.Ft	0.0167	0.0225	+34.80%
Scope 1&2	2022	2023	YOY % Change
tCO2e	36,539.62	36,079.69	-0.77%
tCO2e/Sq.Ft	0.0144	0.0137	-5.26%

Global emissions commentary

The FY23 global reporting has been undertaken using metred or invoiced energy data where available, with reasonable estimates through pro-rata extrapolation or benchmarking where data gaps have existed across the global portfolio. We plan to implement the recommendations for improved data management to enable increased reporting accuracy and forward monitoring of agreed reduction pathway progress. The use of emissions data at a House level will further support energy efficiency and carbon emissions reduction.

In FY23, Soho House emitted a total of 59,345.37 tonnes of CO2e across our global sites for all Scopes (including Scope 3 which is not mandatory to report). Scope 1 accounted for 17.8% of the total emissions impact, Scope 2 for 43.0% and Scope 3 accounted for 39.2%.

The non-UK sites accounted for 68.2% of the global emissions impact and had a lower average intensity (0.0211 tCO2e/Sq.ft) than the UK sites (0.0262 tCO2e/Sq.ft) which represented 31.8% of the total emissions impact. For FY23 the global emissions intensity was 0.0225 tCO2e/Sq.ft.

The largest impacts within Soho House's emissions profile stem from Scope 2 electricity consumption, accounting for 43.0% of the total, with a majority (80.6%) attributed to non-UK consumption. Scope 3 Category 3 activities, related to fuel and energy outside Scopes 1 and 2, represent the second largest impact at 16.1% of the total emissions. Within Scope 1, stationary fuel contributes 15.9% of the total impact, with natural gas contributing a significant share (65.8%).

FY22 marked the initial availability of operations data for non-UK sites, while FY23 saw the standard collection of Scope 3 data. The baseline for global emissions is recommended to be established using FY23 data, subject to revisions in data capture by FY24, which is expected to enhance data quality and increase total impact. Year-on-year comparisons show a 45.32% increase in emissions from 2022 to 2023, primarily driven by a substantial rise (419.55%) in Scope 3 emissions due to expanded data disclosure across various categories such as purchased goods and services, waste, and travel-related impacts. This increase underscores the importance of comprehensive data capture to assess and manage emissions effectively over time. Full emissions details are provided in Appendix Table 1.

Soho House uses the primary carbon intensity metric that we believe reflects the nature of our growing global footprint and the effective management of unit level carbon emissions. The intensity metric is tCO₂e per square foot of property space.

The reporting has been undertaken by external accounting specialists, Carbon Responsible, to ensure that both the use of data and accounting of our emissions is accurately reported. Soho House currently reports our emissions in the UK, in line with the requirements of the Streamlined Energy & Carbon Reporting 2018 for the completion of financial reports required by the Companies Act 2006. Reporting has been prepared using the GHG Protocol Corporate Accounting Standards.

(c) Targets used to manage climate-related risks and opportunities and performance against targets

We have already indicated an ambition to match globally agreed targets to reduce Scope 1 & 2 emissions by 50% by 2030 based upon the initial measurement of our UK operations. Using the wider 2023 Scope 1 & 2 reporting we now expect to develop a detailed decarbonisation plan for the pre 2030 period and beyond to support our ambitions and validated by external specialists. This will enable Soho House to establish precise, well-thought-out targets by meticulously collecting and analysing our complete operational data spanning multiple years. Due to our expanding global operations, it is likely that intensity-based targets (e.g. tCO₂e per square foot of property space) will have to be used, instead of setting absolute emissions reduction targets. Similar to last year's analysis, the development of a detailed decarbonisation plan requires further work in the following areas:

1. Continue to improve data capture to support effective monitoring and delivery of our energy related emissions.
2. Confirm our 2023 baseline for target roadmaps, both for Scope 1 and 2, as well as applicable Scope 3, are as complete as possible. Reporting has highlighted areas where we can increase and improve data collection and reporting quality to an optimal standard.
3. After a year of analysis in 2023, begin setting clear Scope 3 objectives based on data collected over the years and a full assessment of areas where we can either control, influence or engage with third parties to reduce our emissions over time. Continue development of Scope 3 indirect targets during 2024 with increased data capture for our FY24 supply chain impact analysis.

Going forward

In 2024 Soho House will...

In 2023 we trialled multiple programmes and projects in relation to our three pillars: GHG Emissions Reduction, Climate Resilience, and Brand Value. The next stage is to begin a global rollout for each successful initiative. This includes the extension of our House Audit programme, and our energy efficiency projects in the USA. Certain projects remain in the planning stages and will look to be approved after final reviews from the relevant committees.

While attempting to embrace a climate resilience plan across our global network of sites, we recognise that we do not own the majority of these locations. Our strategy will involve engaging with landlords and partners to implement energy efficiency projects wherever feasible. Through proactive collaboration and leveraging our influence, we aim to drive meaningful change towards a more environmentally responsible operation. The update and expansion of our Sustainability Ambassador programme in 2024 demonstrates our ongoing mission to mitigate climate-related risks and advancing sustainability for both our company and the communities we serve.

Key deliverables for 2024–2025

- Review and implement the selected recommended energy efficiency measures from our House audits in 2023.
- Aim to have wholly trained Sustainability Ambassadors for 100% of our sites by 2025.
- Increase Scope 3 emissions reporting, including purchased goods and services (material use and complete supply chain analysis) and product analysis.
- Determine a clear Scope 3 baseline to support our decarbonisation pathway. This will ensure we have robust baselines for all three Scopes that supply a Net Zero target that is supportive of globally agreed targets.
- In 2024, Soho House will be considering decarbonisation analysis to comprehend the potential reduction pathways which will permit us to meet our 2030 targets. This should also inform us whether we can align to more ambitious targets such as the Energy and Environmental Alliance's recommended 2040 target.

APPENDIX TABLE 1

Appendix Table 1 Detailed emission output for FY2023

Scope 1 in Metric Tonnes CO2e	tCO2e	% of Total		
		Emissions	kWh	Estimated %
Stationary fuel combustion	9,425.85	16%	50,532,048	18.9%
Mobile fuel combustion	41.53	0%	165,115	35.8%
Fugitive emissions	10,95.59	2%	-	4.9%
Process emissions	-		-	
Total Scope 1	10,562.97	18%	50,697,163	17.5%

Scope 2 in Metric Tonnes CO2e	tCO2e	% of Total		
		Emissions	kWh	Estimated %
Electricity UK	4955.70	8%	24,755,317	9.8%
Electricity non-UK	20,558.93	35%	48,128,354	30.9%
Heat, steam and cooling	-		-	
Owned electric vehicles	2.09	0%	10,421	100.0%
Total Scope 2	25,516.72	43%	72,894,092	26.8%

Scope 3 in Metric Tonnes CO2e	tCO2e	% of Total		
		Emissions	kWh	Estimated %
Upstream Scope 3 Emissions				
Category 1: Purchased goods & services	325.04	1%	-	66.6%
Category 2: Capital goods	-		-	
Category 3: Fuel & energy related activities not included in Scope 1/ 2	9,566.12	16%	0	25.1%
Category 4: Upstream transportation & distribution	636.86	1%	-	0.0%
Category 5: Waste generated in operations	2,677.83	5%	-	67.0%
Category 6: Business travel	2,145.33	4%	25,783	0.0%
Category 7: Employee commuting	7,914.50	13%	-	100.0%
Category 8: Upstream leased assets	-		-	
Downstream Scope 3 Emissions				
Category 9: Downstream transportation & distribution	-		-	
Category 10: Processing of sold products	-		-	
Category 11: Use of sold products	-		-	
Category 12: End-of-Life treatment of sold products	-		-	
Category 13: Downstream leased assets	-		-	
Category 14: Franchises	-		-	
Category 15: Investments	0.00		-	
Total Scope 3	23,265.68	39%	25,783	53.0%

Net Emissions	59,345.37		123,617,037	35.4%
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