Kallidus Decarbonisation Plan

V.1.2 April 2025

Executive Summary

Kallidus is committed to reducing our environmental impact and promoting sustainability in everything we do. To that end, we have committed to reducing our carbon footprint and aligning with global climate goals by setting emission reduction targets that we will validate with the SBTi (Science Based Targets initiative) https://sciencebasedtargets.org/.

Working with our partners at Carbometrix, we have completed a review of all our activities and captured all of our emission data for the year 2024. We have used the standard GHG protocol to determine our carbon footprint for this year and have set targets for ourselves to reduce our emissions. We have used 2024 as our baseline year.

Our decarbonisation strategy focuses on reducing our Scope 1, 2, and 3 emissions through energy-efficient technologies, sustainable travel policies, behavioural change and environmentally conscious supply chain practices.

Our target is to reach Net Zero by 2050.

Reporting on progress

We have committed to reporting on our progress to Net Zero in our annual ESG report, which we will publish on our website.
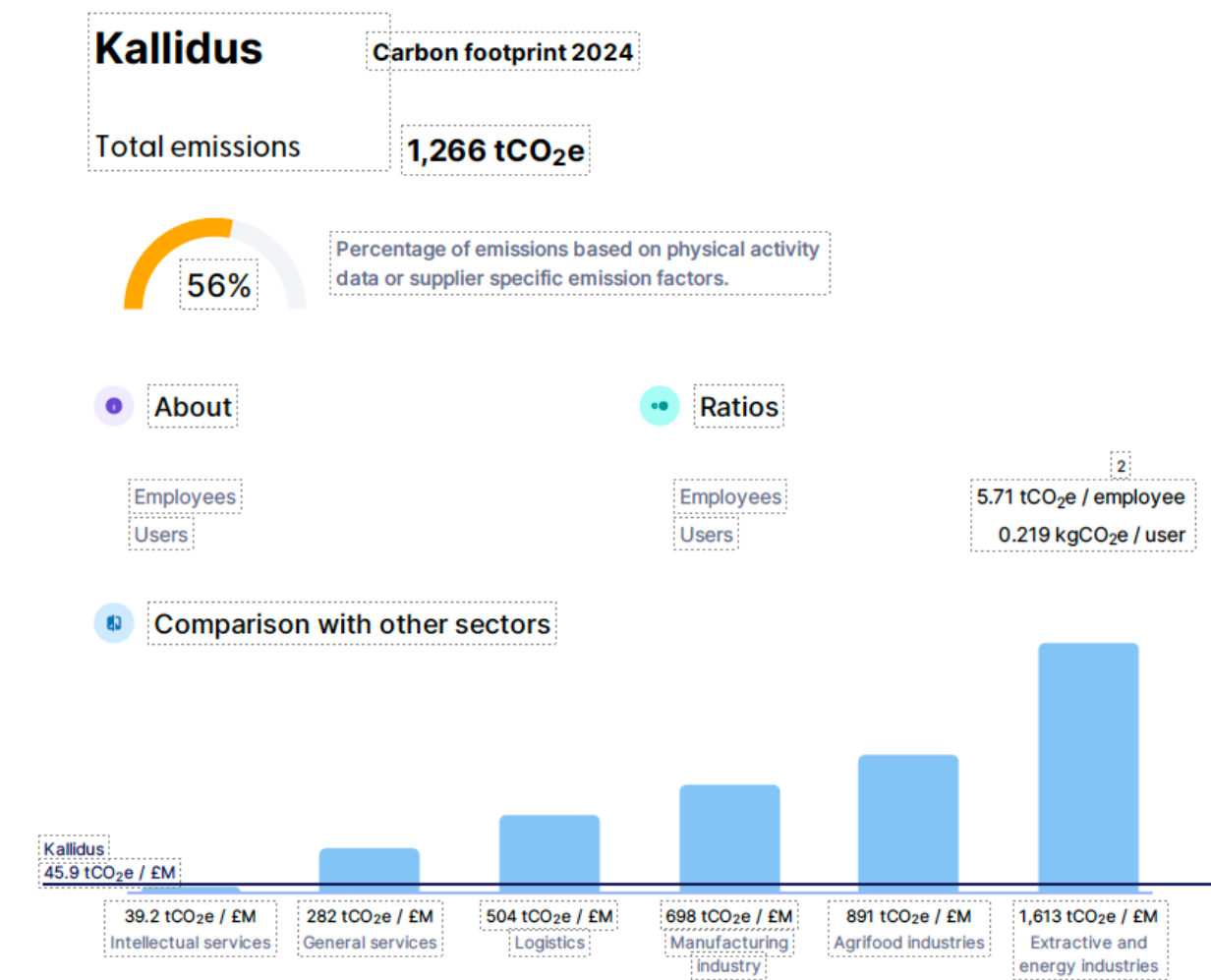
Commitment to achieving Net Zero

We know that we have a part to play in mitigating climate change, aligning with international agreements like the Paris Agreement, and ensuring a more sustainable future. As a software business, our overall impact is relatively small but we do believe we can reduce our emissions and to lower our overall carbon footprint.

To that end, Kallidus has committed to **achieving Net Zero emissions by 2050 and have set near-term targets of reducing Scope 1 and 2 GHG emissions by 58.8% by 2034.**

Carbon Emission Report for CY2024

Working with our partners, Carbometrix, and using the standard GHG protocols, we have captured our complete carbon footprint for the year 2024. Below is a breakdown of greenhouse gas emissions by scope and emission category. Our **baseline year for reporting is 2024.**

Kallidus — Carbon footprint 2024

Total emissions	**1,266 tCO$_2$e**

56% — Percentage of emissions based on physical activity data or supplier specific emission factors.

About

Employees
Users

Ratios

Employees	5.71 tCO$_2$e / employee [2]
Users	0.219 kgCO$_2$e / user

Comparison with other sectors

Kallidus
45.9 tCO$_2$e / £M

39.2 tCO$_2$e / £M	282 tCO$_2$e / £M	504 tCO$_2$e / £M	698 tCO$_2$e / £M	891 tCO$_2$e / £M	1,613 tCO$_2$e / £M
Intellectual services	General services	Logistics	Manufacturing industry	Agrifood industries	Extractive and energy industries

Emissions by scope

Scope 1
Scope 1 covers direct emissions from owned or controlled sources
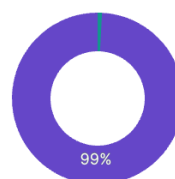**10.4 tCO$_2$e** 1%

Scope 2
Scope 2 covers indirect emissions from the generation of purchased electricity, steam, heating, and cooling consumed by the reporting company
0.64 tCO$_2$e <1%

Scope 3
Scope 3 includes all other indirect emissions that occur in a company's value chain, whether it be from its employees or suppliers (upstream emissions) or from its customers (downstream emissions).
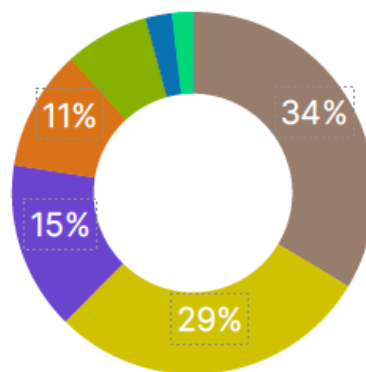**1,255 tCO$_2$e** 99%

99%

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Emissions by category

Category	Emissions	%
Customers	425 tCO$_2$e	34%
Services	365 tCO$_2$e	29%
Travels	190 tCO$_2$e	15%
IT	136 tCO$_2$e	11%
Consumables	95.3 tCO$_2$e	7%
Buildings	29.8 tCO$_2$e	2%
Equipment	23.6 tCO$_2$e	2%
Waste	0.67 tCO$_2$e	<1%

💼 Services — 365 tCO₂e — 29%

Category	tCO₂e	%
Intellectual services expenses	137	11%
Advertising service expenses	85.2	7%
Intellectual services expenses Other	44.9	3%
Advertising service expenses Other	27.6	2%
	12.5	1%
Intellectual services expenses Other		
Intellectual services expenses Audit and tax *	10.8	1%
Intellectual services expenses Insurance *	9.68	1%
	9.53	1%
Advertising service expenses		
General services expenses *	8.39	1%
Intellectual services expenses	7.98	1%
Intellectual services expenses	4.16	<1%
Advertising service expenses	3.62	<1%
Intellectual services expenses		
	3.05	<1%
Meals	0.56	<1%
Business meals	0.18	<1%
Meals Events & seminars external	0.02	<1%

✈ Travels — 190 tCO₂e — 15%

Category	tCO₂e	%
Flights	64.4	5%
Hotel stays -	53.6	4%
Employee survey Employee commute	51.3	4%
Company vehicle production	12.5	1%
Employee travel (kilometer allowances), monetary	5.61	1%
Train travel *	0.85	<1%
Freelancer and auditor survey Employee commute	0.77	<1%
Events & seminars Other travels from external participants	0.34	<1%
Company vehicle electricity consumption (direct)	0.26	<1%
Company vehicle electricity consumption (upstream)	0.14	<1%

IT   136 tCO₂e   11%

Subcontracting expenses *	121	10%
Cloud Azure UK	13.6	1%
Cloud Microsoft 365	0.83	<1%
Cloud Azure NAM	0.7	<1%
Internal servers Azure	0.21	<1%
Cloud AWS	0.15	<1%

Consumables   95.3 tCO₂e   7%

Employee meals	88.4	7%
Operating expenditure (OPEX) *	6.87	<1%

Buildings   29.8 tCO₂e   2%

Employee survey - Remote working	17.7	1%
Air-conditioning - Watermoor Point	6.26	1%
Facilities fossil gas combustion	4.13	<1%
Facilities fossil gas upstream	0.76	<1%
Non-renewable electricity consumption (on-site)	0.37	<1%
Renewable electricity consumption, upstream emissions	0.34	<1%
Non-renewable electricity consumption (upstream)	0.2	<1%
Freelancer and auditor survey - Remote working	0.06	<1%

Equipment   23.6 tCO₂e   2%

Capital expenditure (CAPEX) - Laptops	11.5	1%
Capital expenditure (CAPEX) - Computer Peripherals	10.4	1%
Capital expenditure (CAPEX) - Other Equipment *	0.78	<1%
Capital expenditure (CAPEX) - Bicycle - cycle to work	0.71	<1%
Capital expenditure (CAPEX) - Bicycle Parts - cycle to work *	0.16	<1%

Waste   0.67 tCO₂e   <1%

Disposed operation waste	0.66	<1%
Recycled operation waste	0	<1%

Decarbonisation Activities

The first step to decarbonisation is to fully understand the greenhouse gas emissions that are generated directly or indirectly through our activities as a business.

The following activities are part of our decarbonisation plans that we are undertaking as part of near-terms decarbonisation trajectory to reduce our emissions.

Scope 1 and 2 Activities

Offices

Electric Heating and Cooling
Currently, our offices use a combination of gas and electricity to heat/cool our spaces. As our offices are responsible for 37% of Scope 1 and 2 emissions, changing to a fully electric office would reduce our carbon footprint in this area significantly.
Therefore, in the medium to long term, subject to agreed funding, we will look to move to fully electric offices.

Temperature Controls
By reducing the temperature in our offices by 2 degrees, we can mitigate our emissions in our offices. We will do this by encouraging our staff with signage at each thermostat, regular communications from our facilities team and in-office monitoring and control of the temperatures.

Hybrid Workers Survey

We will regularly survey our staff to better understand emissions from employees working from home (current 1% of our emissions). If we have a better understanding of these emissions, the result may be lower than the current value we have calculated for the baseline year. Furthermore, we can encourage staff to change behaviours that we can target more accurately.

Energy Management
We are introducing an energy management policy with the objectives being:

- Reduce total energy consumption and improve energy efficiency
- Integrate energy-conscious practices into daily operations
- Encourage sustainable design and procurement choices
- Support compliance with environmental legislation and ISO standards
- Promote continuous improvement in energy performance

Scope 3

Hosting Infrastructure

- As the business grows, there is the potential for our infrastructure to grow – thus increasing our Scope 3 emissions. To mitigate this, we have committed to maintaining our current level of infrastructure for the next 3 years and in some areas, reducing our infrastructure through efficiencies and improvements to our systems architecture.

IT Equipment

- IT equipment procurement currently equates to 2% of our carbon footprint and this is largely due to the purchasing of hardware. We currently replace all IT equipment (mostly laptops) every 3 years. We will change this policy so that our IT equipment, such as laptops, will only be replaced every 4 years.

Business Travel

- We will encourage our staff to travel more by public transport when travelling to customers' sites and provide incentives for this.

Commuting

- We have introduced a cycle to work scheme for all staff.
- In 2025, we are introducing a salary sacrifice scheme for Electric Vehicles for all staff.

Hotel Stays

- We are encouraging staff to reduce the number of hotel stays where possible.
- Where staff cannot avoid using hotels, we are encouraging staff to book hotels that have the highest green ratings – e.g. having a Gold Green Tourism award.

Employee Behaviours

For our office supplies, we have moved to ethical office suppliers and we will encourage our staff to do the same. To support this, we have provided a list of ethical office supply companies to all staff.

Employee meals accounted for 7% of our emissions in our baseline year. To reduce this, we will encourage staff to have more low-carbon lunch-time meals to reduce the impact, for example, by having more plant-based meals.

We will make our decarbonisation goals a part of our regular employee Townhall events and continue to survey our staff on carbon emissions to better understand how we can support them in reducing their carbon footprint.

ESG Committee

We have set up an ESG Committee to drive forward our plans and own our decarbonisation strategy. Part of the Committee's remit is to support our B Corp certification and ongoing commitment and activities to reduce our carbon footprint. The ESG team will regularly report to the Executive and provide quarterly updates to the Kallidus Board of Directors.

Executive Team Sponsorship

If we are to be successful in our target of Net Zero by 2050, our goals must be fully supported and driven from the top down. This will start with the Executive management team, who have given their full support to our target of Net Zero by 2050.

Where specific initiatives require funding, this will be managed and agreed at the Exec level as and when needed.

Declaration

This Carbon Reduction Plan has been completed in accordance with PPN 06/21 and associated guidance and reporting standards.

Further details on the methodology for carbon accounting, calculation methods, emission factor sources and categories that have been used can be found here; methodology.

This Carbon Reduction Plan has been reviewed and signed off by the Kallidus Executive Board.

Signed on behalf of Kallidus Ltd:

Patrick Cannon (Chief Operating Officer) 12 April 2025