



CARBON REDUCTION PLAN

Supplier name: Kubus Group Limited

Publication date: 28th June 2024

Commitment to achieving net zero

Kubus Group Limited (“KGL”) recognises the importance of making a full and lasting commitment to reducing the greenhouse gas emissions from our activities, in support of the wider commitment across the world to limit global temperature increases and the impact on the planet.

We commit to the following:

1. For our company to achieve Net Zero in line with the Science Based targets set out by the UNFCCC i.e. to achieve Net Zero no later than 2050 and target a 50% reduction in emissions by 2030.
2. To set realistic short and long-term targets that are designed to achieve our Net Zero commitments.
3. To report the total Greenhouse Gas emissions of our business, at a minimum, on an annual basis.

Baseline and Current Emissions Footprint

Baseline emissions are a record of the greenhouse gases that have been produced in the past and were produced prior to the introduction of any strategies to reduce emissions. Baseline emissions are the reference point against which emissions reduction can be measured.

Baseline year: 2022

Current year: 2023

Additional details relating to the Baseline Emissions calculations:

- This report has been prepared using the Operational Control Approach.
- Also included in the scope of this report are KGL’s 100% owned subsidiary, Hcom IT solutions Limited, and KGL’s immediate and ultimate parent undertakings, IT and Cloud Solutions Limited and Kubus Holdings Limited respectively (together designated as “Kubus”).
- Emissions from Scope 1 & 2 have been measured along with certain Scope 3 emissions. The Scope 3 emissions that have been included are those that have been practical to measure with available data and are outlined in the table below.
- Our benchmark emissions were recalibrated in 2023 following the adoption of a new online carbon accounting platform (Plan A). The adoption of a certified platform has increased accuracy, scope and transparency of our data, whilst also providing insight and best practice in relation to decarbonisation initiatives.

Calculated emissions for the baseline and current year are as follows:

EMISSIONS (tCO ₂ e)		Current emissions 2023	Baseline emissions 2022
Scope 1		4	5
Scope 2¹		7	31
Scope 3	Purchased goods and services ²	16	10
	Fuel and energy related activities	3	8
	Upstream transportation and distribution	15	16
	Waste generated in operations	0	0
	Business travel ³	88	42
	Employee commuting ⁴	11	54
	Downstream transportation and distribution ⁵	142	80
Total Emissions (Gross)		286	246
Offsetting initiatives ⁶		(169)	(18)
Total Emissions (Net)		117	228

1. Scope 2 emissions relate solely to purchased electricity, with emissions decreasing in 2023 due to the change to a renewable tariff.
2. Purchased goods and services currently includes emissions relating to our cloud data usage.
3. Business travel emissions have increased primarily due to an increase in customer/supplier visits and events following a long period of minimal travel as a result of the COVID-19 pandemic.
4. The decrease in employee commuting emissions is partly driven by the launch of our EV salary sacrifice scheme, for which there was a c. 10% employee uptake in 2023.
5. Downstream transportation and distribution emissions have increased primarily due to an increase in activity outside of the UK.
6. Offsetting initiatives relate to our business travel and downstream transportation emissions as outlined in further detail later in this report.

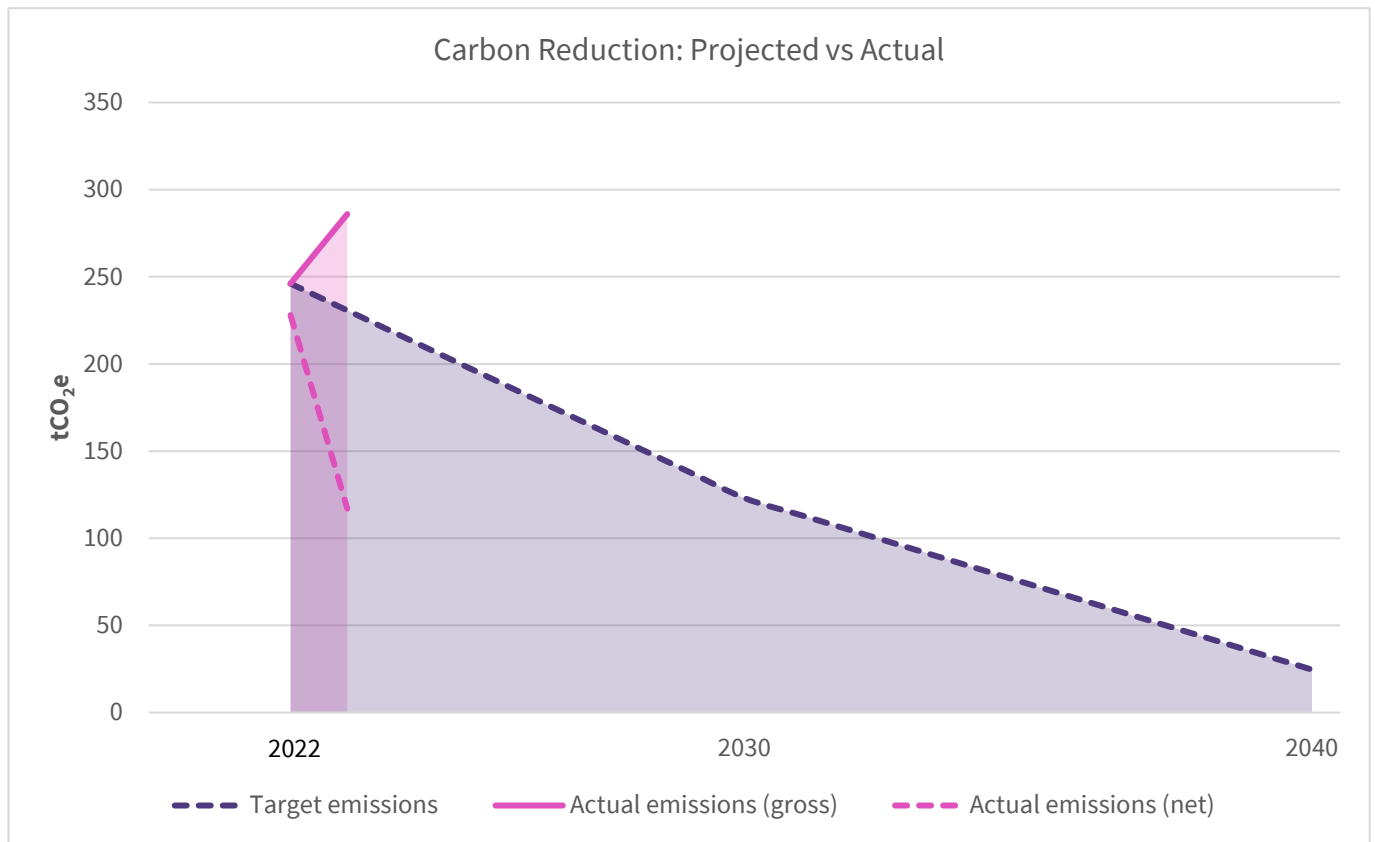
Emissions Reduction Targets

In order to continue our progress to achieving Net Zero, we have adopted the following carbon reduction targets:

- 2025 – carbon neutral across all scopes.
- 2030 – 50% reduction of gross emissions against baseline year (SBTi near-term goal).
- 2040 – 90% reduction of gross emissions against baseline year (SBTi long-term goal).

We project that gross carbon emissions will decrease over the next five years to 154 tCO₂e by 2028. This is a reduction of 38% against our baseline year.

Progress against these targets can be seen in the following graph:



Carbon Reduction Projects

Completed Carbon Reduction Initiatives

The following environmental management measures and projects have been completed or implemented since the 2022 baseline. The carbon emission reduction achieved by these schemes equate to an estimated 24 tCO₂e, a 10% reduction against the 2022 baseline, and the measures will be in effect when performing the contract. We recognise that our 2023 calculations represent an increase in emissions compared to the baseline year, this is primarily due to an increase in business performance and a return to “normal” levels of activity post the COVID-19 pandemic.

- Office heating – in late 2022 we replaced our radiators with energy efficient 1kW electric heaters throughout our office.
- LED lighting – we have phased out all halogen bulbs and replaced with energy efficient LED tube lighting.
- EV charging/employee scheme – we have installed 4 electric car chargers at our office for employee/visitor use. We also launched our EV salary sacrifice scheme, with a c. 10% uptake in 2023.
- Offsetting initiatives – 2023 was the first full year of offsetting our downstream transportation emissions via the DHL GoGreen scheme, which accounts for c. 80% of our emissions in this category. We have also elected to offset 100% of our business travel emissions purchased through our travel booking platform TravelPerk.
- Sustainability project team – this was established in early 2023 to drive engagement across the business and to set and deliver on our objectives.

Future Carbon Reduction Initiatives

In the next two years we plan to implement further measures which will continue to drive down emissions, these include (but are not limited to) the following:

- Sustainability supply chain review – develop and embed a sustainable procurement policy within the business to make sustainability a key consideration when purchasing products and services.
- Renewable energy – work with our landlord to revert all electricity contracts to renewable energy for our leased offices in Kemble, and also review the feasibility of solar panels on our office.
- Business travel – implement a sustainable travel policy to encourage and educate staff to take lower carbon travel options such as public transport or car sharing.
- Company van – replace our company owned diesel van with a lower emission vehicle (fully electric or hybrid).
- Framework review – review feasibility for implementation of ISO 14001, B Corp or equivalent across the business.
- Reduce printing in our warehouse – we have reduced printing by c. 90% across the business over the last few years, we plan to implement a paperless goods in/out procedure in the warehouse to reduce this even further.
- Employee engagement – we will continue to educate staff via internal and external training sessions, to inform our staff around Net Zero issues and how they can impact on our carbon emissions.

Declaration and Sign Off

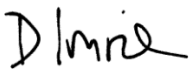
This Carbon Reduction Plan has been completed in accordance with PPN 06/21 and associated guidance and reporting standard for Carbon Reduction Plans.

Emissions have been reported and recorded in accordance with the published reporting standard for Carbon Reduction Plans and the GHG Reporting Protocol corporate standard¹ and uses the appropriate Government emission conversion factors for greenhouse gas company reporting².

Scope 1 and Scope 2 emissions have been reported in accordance with SECR requirements, and the required subset of Scope 3 emissions have been reported in accordance with the published reporting standard for Carbon Reduction Plans and the Corporate Value Chain (Scope 3) Standard³.

This Carbon Reduction Plan has been reviewed and signed off by the board of directors (or equivalent management body).

Signed on behalf of Kubus Group Limited:



Duncan Imrie, CFO
28th June 2024

¹<https://ghgprotocol.org/corporate-standard>

²<https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting>

³<https://ghgprotocol.org/standards/scope-3-standard>