

# Carbon Reduction Plan FY24

Supplier name: **Kainos Software Limited**

Publication date: **June 2024 Commitment to achieving Net Zero**

Kainos Software Limited is committed to achieving Net Zero emissions by 2025.

## Baseline 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.

### **Additional Details relating to the Baseline Emissions calculations.**

**Baseline year emissions:** 2019/20 (1 April 2019 through to 31 March 2020)

From 2020 we have used a market leading tool Watershed, to measure progress and guide our global Climate Action strategy and measured a subset of our scope 3 emissions.

Since then, we have been able to measure our entire footprint and have used this to establish our baseline year footprint, as the basis for our near time Science Based Targets that are built into our Carbon Net Zero reduction plan.

Our methodology is based on The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition), The Greenhouse Gas Protocol: Scope 2 Guidance, & The Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Standard.

At Kainos, we work with our customers and partners on projects that make a real difference. In doing so, we want to build a better world through technology, and leave a lasting positive impact for our customers and our communities.

With over 3000 people operating across 22 countries in Europe and the Americas and working with some of the world's biggest brands, our commitment to sustainability sits at the heart of our company strategy, culture, and values. Our environmental commitments and targets for net zero by 2025 are set globally with close oversight provided by our Chair and Chief Executive Officer – our aim being to achieve a Net Zero near term target in 2025. Our climate action strategy and activities are cascaded through our business units with reporting completed centrally for each. “Kainos” is the trading name of the Kainos group of companies, further details of which can be found here: [Corporate Information \(kainos.com\)](https://www.kainos.com/corporate-information)

Our environmental commitments and targets are supported and adopted by Kainos Software Limited and all of its wholly owned subsidiaries/bidding entities, and as described herein, can be applied by our subsidiaries / bidding entities when performing the relevant contract. This CRP is published on Kainos.com; [Climate action \(kainos.com\)](https://www.kainos.com/climate-action) setting out our net zero commitment and details of our Scope 1, 2 and selected Scope 3 emissions for our UK companies (namely Kainos Software Limited, Kainos Evolve Limited, Kainos Worksmart Limited and Formulate Kainos Limited).

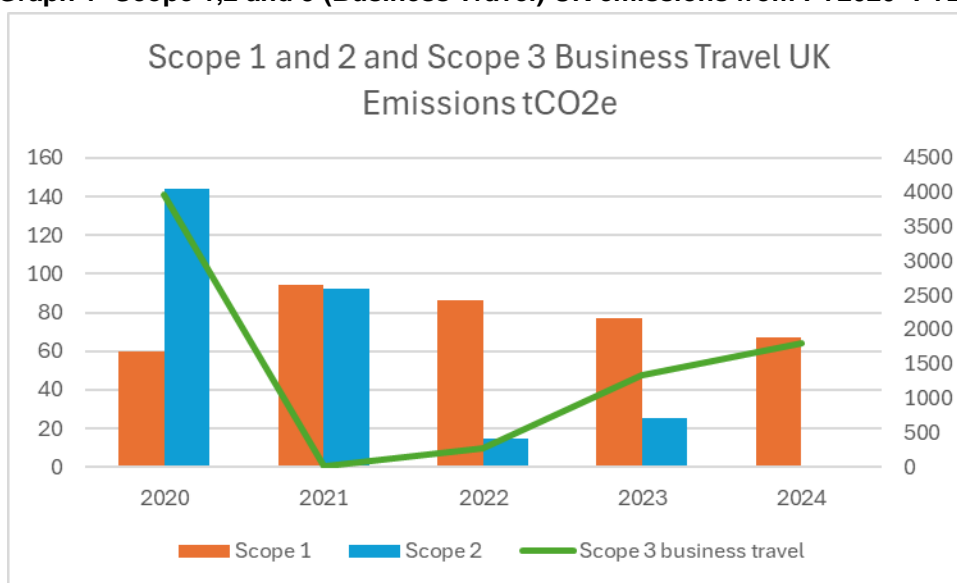
| <b>Baseline year emissions: 2019/20 (1 April 2019 through to 31 March 2020)</b> |  |                                   |       |                     |      |                        |        |              |               |
|---|--|-----------------------------------|-------|---------------------|------|------------------------|--------|--------------|---------------|
| <b>EMISSIONS</b>  | <b>TOTAL (tCO<sub>2</sub>e)</b>  |                                   |       |                     |      |                        |        |              |               |
| <b>Scope 1</b>  | 60   |                                   |       |                     |      |                        |        |              |               |
| <b>Scope 2</b>  | 144  |                                   |       |                     |      |                        |        |              |               |
| <b>Scope 3<br/>(Included Sources)</b>   | Scope 3 figures: <table border="1" data-bbox="501 667 1273 824"> <tbody> <tr> <td>3.5 Waste Generated in Operations</td> <td>170.8</td> </tr> <tr> <td>3.6 Business Travel</td> <td>3958</td> </tr> <tr> <td>3.7 Employee Commuting</td> <td>1347.5</td> </tr> <tr> <td><b>Total</b></td> <td><b>5476.3</b></td> </tr> </tbody> </table>   | 3.5 Waste Generated in Operations | 170.8 | 3.6 Business Travel | 3958 | 3.7 Employee Commuting | 1347.5 | <b>Total</b> | <b>5476.3</b> |
| 3.5 Waste Generated in Operations   | 170.8  |                                   |       |                     |      |                        |        |              |               |
| 3.6 Business Travel   | 3958   |                                   |       |                     |      |                        |        |              |               |
| 3.7 Employee Commuting  | 1347.5   |                                   |       |                     |      |                        |        |              |               |
| <b>Total</b>  | <b>5476.3</b>  |                                   |       |                     |      |                        |        |              |               |
| <b>Total Emissions</b>  | <b>5680.3</b><br><b>Please note emissions are excluded for: -</b><br>3.4 Upstream transportation and distribution- Is excluded as this category is not relevant to Kainos' business as Kainos provides digital and Cloud services.<br>3.9 Downstream transportation and distribution- Is excluded as this category is not relevant to Kainos' business. This category is specific to transportation and distribution of sold products in vehicles and facilities not owned or controlled by the reporting company. This is not applicable as Kainos provides digital and Cloud services. |                                   |       |                     |      |                        |        |              |               |

## Current Emissions Reporting

| <b>Reporting Year: 2023/24 (1 April 2023 through to 31 March 2024)</b> |  |  |           |                            |             |                               |             |              |              |
|--|--|--|-----------|----------------------------|-------------|-------------------------------|-------------|--------------|--------------|
| <b>EMISSIONS UK</b>  | <b>TOTAL (tCO<sub>2</sub>e)</b>  |  |           |                            |             |                               |             |              |              |
| <b>Scope 1</b>   | 67   |  |           |                            |             |                               |             |              |              |
| <b>Scope 2</b>   | 0.3  |  |           |                            |             |                               |             |              |              |
| <b>Scope 3<br/>(Included Sources)</b>                                  | Scope 3 figures: <table border="1" data-bbox="488 1839 1134 2004"> <tbody> <tr> <td><b>3.5 Waste generated in operations</b></td> <td><b>35</b></td> </tr> <tr> <td><b>3.6 business travel</b></td> <td><b>1343</b></td> </tr> <tr> <td><b>3.7 Employee commuting</b></td> <td><b>1829</b></td> </tr> <tr> <td><b>Total</b></td> <td><b>3,209</b></td> </tr> </tbody> </table> | <b>3.5 Waste generated in operations</b> | <b>35</b> | <b>3.6 business travel</b> | <b>1343</b> | <b>3.7 Employee commuting</b> | <b>1829</b> | <b>Total</b> | <b>3,209</b> |
| <b>3.5 Waste generated in operations</b>                               | <b>35</b>  |  |           |                            |             |                               |             |              |              |
| <b>3.6 business travel</b>   | <b>1343</b>  |  |           |                            |             |                               |             |              |              |
| <b>3.7 Employee commuting</b>  | <b>1829</b>  |  |           |                            |             |                               |             |              |              |
| <b>Total</b>   | <b>3,209</b>   |  |           |                            |             |                               |             |              |              |

|                        |   |
|------------------------|---|
| <b>Total Emissions</b> | <b>3,274.3</b><br><b>Not included-</b><br>3.4 Upstream transportation and distribution.<br>3.9 Downstream transportation and distribution<br>These categories are not relevant to Kainos' business. This is not applicable as Kainos provides digital and Cloud services. |
|------------------------|---|

**Graph 1- Scope 1,2 and 3 (Business Travel) UK emissions from FY2020- FY24.**



| UK emissions tCO2e      | 2020 | 2021 | 2022 | 2023 | 2024 |
|-------------------------|------|------|------|------|------|
| Scope 1                 | 60   | 94   | 86   | 77   | 67   |
| Scope 2                 | 144  | 92   | 15   | 25   | 0.3  |
| Scope 3 Business Travel | 3958 | 6    | 275  | 1343 | 1799 |

**Table 2- Global emissions FY24**

| GHG category                                      | Global Emissions: market-based (tCO <sub>2</sub> e) |
|---|---|
| 1 Direct emissions                                | 86  |
| 2 Purchased electricity, steam, heat, and cooling | 62  |
| 3.1 Purchased goods and services                  | 4938  |
| 3.2 Capital goods                                 | 1848  |
| 3.3 Fuel and energy related activities            | 79  |
| 3.5 Waste generated in operations                 | 35  |
| 3.6 Business travel                               | 2570  |
| 3.7 Employee commuting                            | 1829  |
| 3.8 Upstream leased assets                        | 1   |
| <b>Total</b>                                      | <b>11448</b>  |

## Emissions reduction targets

Kainos are on track for reaching our near term STB reduction targets and achieving Net Zero carbon emissions by FY2026. More information can be found here [Climate action \(kainos.com\)](#) and in our latest CDP submission. We have committed to reduce the combined Scope 1 and 2 carbon emissions to 149 tCO<sub>2</sub>e by FY26 and also commits to reduce scope 3 GHG emissions 45% per unit of value added within the same timeframe (per £1M GBP of gross profit by FY2026).

## Carbon Reduction Projects

In May 2024 we received our draft Global carbon footprint figures. Based upon these figures we have achieved our near-term SBTi targets. Our absolute Scope 1 and Scope 2 GHG emissions are 148 tonnes CO<sub>2</sub>e for FY24, which is below our target of 149 tonnes CO<sub>2</sub>e to be achieved by FY26. Our Scope 3 GHG emissions are on track to be below the 45% reduction target of per unit value added to be achieved in the same timeframe. During the next months we will work with SBTi and external verifiers to confirm all related figures.

In FY24 Kainos has seen a reduction of 19% in Global Scope 1 emissions to 67 tonnes (FY23: 77 tonnes) and 41% decrease in Scope 2 emissions to 0.3 tonnes (FY23: 25 tonnes). This mainly due to the review of our office portfolio, including relocation and investment in green energy contracts.

The following environmental management measures and projects have been completed or implemented since the 2020 baseline and the measures will be applied by all of Kainos' wholly owned subsidiaries/bidders when performing the relevant contract.

1. Strategy and data:
  - We committed to fully verified SBTi near-term net zero targets in FY22, these guide the activities comprising our global Climate Action strategy and plan, which itself is aligned to the UNSDG 13- Climate Action.
  - We use Watershed (an enterprise climate platform) for carbon accounting, to measure and monitor our carbon footprint (six monthly) and travel (monthly) to manage trends.
  - We have strived to improve activity-based data collection, especially in Travel related emissions.
  - We disclose to CDP on an annual basis.
2. Engaging our people:
  - We continue to build awareness across our teams about the benefits of sustainability, through our Climate Action approach.
  - We promoted COP28 communications and Global World Earth Day in FY24 in our offices.
  - Employee sentiment about our climate action activities now forms part of our employee engagement survey tool (Peakon), enabling people to share their views and ideas for improvement. We saw an increase to a score of 7.5, 0.2 improvement.

- Linked to our 'quality education' UN Sustainability Development Goal), we have continued to offer comprehensive training opportunities for our people while significantly reducing the need to travel for in-person learning. We offer more technical and professional skills training virtually and through self-service eLearning, thus reducing the need for travel for our people.
  - We developed a Continuous Development Module for staff on Climate Action.
  - Actively encouraging volunteering with local charities to promote positive climate action and habitat creation. Made amendments to our reporting to be able to capture volunteering activities globally.
3. Supporting new behaviours:
- Applying our Environmental and Renewable Energy policies has helped to reduce our environmental impact, including promoting the efficient use of natural resources, green energy sources and investment in practices and technologies, that reduce energy usage and minimise waste to landfill.
  - Our remote working policy has been embedded to support employee wellbeing post pandemic. Since 2020 this has resulted in a significant reduction in business travel for meetings and project working at customer sites, and in our employees commuting to and from our Kainos offices.
  - We introduced an Electric Vehicle leasing plan in 2021 to support our employees in transitioning to lower-pollution transportation. This program is ongoing with continued uptake from our people.
4. Energy use:
- In FY24 we have seen a 41% decrease in Scope 2 (global) emissions to 0.3 tonnes (FY23 25 tonnes). This mainly due to the review of our office portfolio, including relocation and investment in green energy contracts in our offices.
  - Our Belfast HQ underwent a major refurbishment in 2020, during which we started the process of adopting low-energy, long-life LED lighting and PIR lighting controls. This process was completed in 2022/23 with all lighting in our Belfast office now using LED. This has resulted in an estimated 80% reduction energy consumption for lighting in our HQ building.
5. Waste:
- As we operate a cloud-based infrastructure, most of our equipment recycling focuses on laptops. 100% of WEEE is being diverted from landfill. Our waste emissions have reduced from over 170 tonnes (FY2020) to 35 tonnes (FY2024)
  - Other examples of waste avoidance include removal of single use plastics from our offices, and use of 100% reusable packaging by our employee kit (phones, laptops) supply partner.
  - 100% of office waste at our Belfast, London and Birmingham offices is diverted from landfill, where it is recycled or recovered.
6. Partners and collaborations:
- We continue to support the UK Government Digital Sustainability Alliance (GDSA) as a member, collaborating with other DEFRA suppliers to fulfil digital sustainability commitments. Since 2023 this has focused on advancing the work of the Planetary Impact group to promote wider sustainability beyond carbon emissions. This work

was showcased as part of the first GDSA Summit in March 2024 and aimed to reduce the wider planetary impact of IT services procured by the UK Government.

- Kainos is a proud signatory of both The Climate Pledge and the Business Ambition for 1.5°C Campaign.

7. Carbon neutrality:

- We have been carbon neutral since 2021, investing in high-quality projects (VCS and Gold Standard) for all direct and indirect emissions.

- In FY23 and 2024 this will include carbon sequester of 14% for the entire Kainos Group.

## Completed Carbon Reduction Initiatives

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 standard<sup>1</sup> and uses the appropriate Government emission conversion factors for greenhouse gas company reporting<sup>2</sup>.

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) Standard<sup>3</sup>.

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

### Signed on behalf of the Supplier:

DocuSigned by:  
  
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Date: June 2024

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

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

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