Carbon Reduction Plan - 2026

Net Zero Commitment

KHIPU Networks recognises the benefits of developing the business in an environmentally responsible and friendly manner, taking into account evolving environmental issues and the need to comply with legal requirements. As such, for our UK-based operations, we have a committed target to achieve carbon net zero across all scopes by 2045. Our Carbon Reduction Plan (CRP) will outline how we will work toward meeting this target.

Our CRP will be formally reviewed and updated on an annual basis within the first half year of each calendar year.

Emissions Reporting

Baseline Year: 2023 (1st January – 31st December)

This is based on our business and supply chain operating under normal conditions post recovery from the COVID-19 pandemic. This ensures we set realistic objectives, given that the previous 3 years have seen restrictions imposed by the UK Government.

Baseline Year Emissions and Details: 178.99 tCO2e

Scope 1 (sources below): 104.93 tCO2e

- Office Heating and Cooling: 101.77 tCO2e
- Company Vehicles: 3.16 tCO2e

Scope 2: 0 tCO2e

Natural gas consumption is limited to office heating and is therefore accounted for under Scope 1 emissions. The organisation procures 100% renewable electricity, resulting in zero Scope 2 emissions under the market-based method, in line with Greenhouse Gas Reporting (GHG) standards.

Scope 3 (sources below): 74.06 tCO2e

- Upstream transportation and distribution: Not applicable; we do not supply materials to manufacturers. We are a value-added reseller of products and solutions manufactured by our partners, which are delivered to our customer base (downstream).

- Waste generated in operations: We do not produce waste as part of our processes, nor do our sub-contractors with the services we provide. Only packaging is used to deliver physical products to our customers. WEEE and recyclable waste is minimal, nonetheless we will look to include this in future reporting, working with our supply chain.

- Business travel:
  - Car mileage: 20.66 tCO2e
  - Rail mileage: 0.79 tCO2e
  - Taxi mileage: 0.25 tCO2e
  - Hotel usage: 2.78 tCO2e
  - Air mileage without Radiative Forcing: 39.26 tCO2e

- Employee commuting: 10.32 tCO_2e
  - This is based on averages from an all-staff survey, accounting for the average weekly travel to and from the office, including return mileage, method of travel, and, where applicable, car fuel type.

- Downstream transportation and distribution**:** This is information not available from our couriers for 2023 as they were not keeping records. They have however agreed to do so throughout 2024 and thus this information will be available when the CRP has the next annual review.

Reporting Year: 2025 (1st January – 31st December)

Reporting Year Emissions and Details: 156.1 tCO_2e

Scope 1 (sources below): 77.13 tCO_2e

- Office Heating and Cooling: 75.55 tCO_2e
- Company Vehicles: 1.58 tCO_2e

Scope 2: 0 tCO_2e

Natural gas consumption is limited to office heating and is therefore accounted for under Scope 1 emissions. The organisation procures 100% renewable electricity, resulting in zero Scope 2 emissions under the market-based method, in line with Greenhouse Gas Reporting (GHG) standards.

Scope 3 (sources below): 78.97 tCO_2e

- Upstream transportation and distribution: Not applicable, we do not supply materials to manufacturers. We are a value-added reseller of products and solutions manufactured by our partners, which are delivered to our customer base (downstream).

- Waste generated in operations: We do not produce waste as part of our processes, nor do our sub-contractors with the services we provide. Only packaging is used to deliver physical products to our customers. WEEE and recyclable waste is minimal, nonetheless we will look to include this in future reporting, working with our supply chain.

- Business travel:
  - Car mileage: 16.70 tCO_2e
  - Rail mileage: 1.20 tCO_2e
  - Taxi mileage: 0.30 tCO_2e
  - Hotel usage: 5.46 tCO_2e
  - Air mileage without Radiative Forcing: 43.67 tCO_2e

- Employee commuting: 10.54 tCO_2e
  - This is based on averages from an all-staff survey, accounting for the average weekly travel to and from the office, including return mileage, method of travel, and, where applicable, car fuel type.

- Downstream transportation and distribution: 1.10 tCO_2e

Completed Initiatives

We have deployed energy-efficient IT equipment and LED lighting throughout our office building.

Our staff are encouraged, where possible and practical, to plan their work around public transport, share transport, and minimise the use of energy-intensive modes.

A policy is in place for staff to use video, webinar, and telephone conferencing with our customers and suppliers as an alternative to travel (where feasible).

In our car park, there are 12 EV chargers to encourage electric vehicle use.

All staff have received training on the proper disposal of waste and recycling at our office, in line with local council guidelines. This training is also delivered for new starters as part of their induction program.

“Green engineering days” are included in our professional service (PS) packages. Our PS team has adapted to remote installations, and since the launch of this initiative in July 2021, we have planted ten trees for every day of PS engineering delivered remotely. Whilst this cannot form part of our emissions calculations, it does allow for some carbon offsetting, as trees can sequester CO2 over their approximate 100-year lifespan. This is an environmental management measure that is applied for all applicable contracts as less PS engineering done onsite, will result in less carbon emissions being generated into the atmosphere whilst still fulfilling customer requirements.

KHIPU are a member of “Techies Go Green” advisory body. It is a movement of tech-oriented companies committed to decarbonising their businesses, helping IT companies improve their energy efficiency through collaboration and the sharing of practical know-how.

We are one of the early signatories and pledgers to the UK Business Biodiversity Forum. As part of this programme of work, we will seek to comply with the core principles of their Nature Positive Business Pledge scheme.

UK operations adhere to and are certified to ISO14001 (Environmental Management). Internal and external audits are conducted annually to verify compliance with the standard's requirements.

The Environmental Steering Group, composed of staff members from multiple departments, meets quarterly to identify opportunities to improve our environmental management system and performance.

The company operates a hybrid working week, with staff permitted to work from home at least one day a week (unless otherwise required to fulfil their role), depending on their location or working contract.

The majority of desk bins have been removed to ensure that waste is properly segregated. Furthermore, food bins have also been provided for further waste segregation and to meet the requirements of the Separation of Waste (England) Regulations Act 2025.

We conduct appraisals of our supply chain for due diligence, including environmental management practices, to ensure we partner with companies that operate sustainably.

A new WEEE waste supplier was selected to enable more recycling rather than waste destruction.

The original chiller of the building was replaced in the Summer of 2025, which is more efficient and has a reduced energy consumption.

We changed consumables in the office i.e. plastic cups and paper plates, to be recyclable. Procurement is kept to a minimum, as the company supplies crockery throughout the office building. Consumables are typically limited to areas where health and safety is a concern (e.g., customer events at our offices), thereby minimising waste.

Reduction Projects

The aim is to transition all company vehicles to electric or hybrid models by 2030.

A sustainability lead will be appointed in the future to ensure that actions are set and progress against our targets, and to explore new initiatives.

Targets have been established on a per full-time equivalent (FTE) basis to ensure they remain realistic as the business grows. We are targeting an annual reduction of 2% per FTE, currently equivalent to 0.08 tCO_2e per FTE.

We are looking to improve waste management signage to ensure the correct disposal of waste and to maximise recycling.

We are building upon our due diligence of supplier selection, with an aim to partner with suppliers who use Science Based Target Initiatives (SbTi's), EV fleets, and eco-packaging.

A formal Sustainable Travel Policy with mandatory travel justification for flights and hotel stay is in development, to further ensure that any arrangements are made in a sustainable manner, so long as they are cost effective.

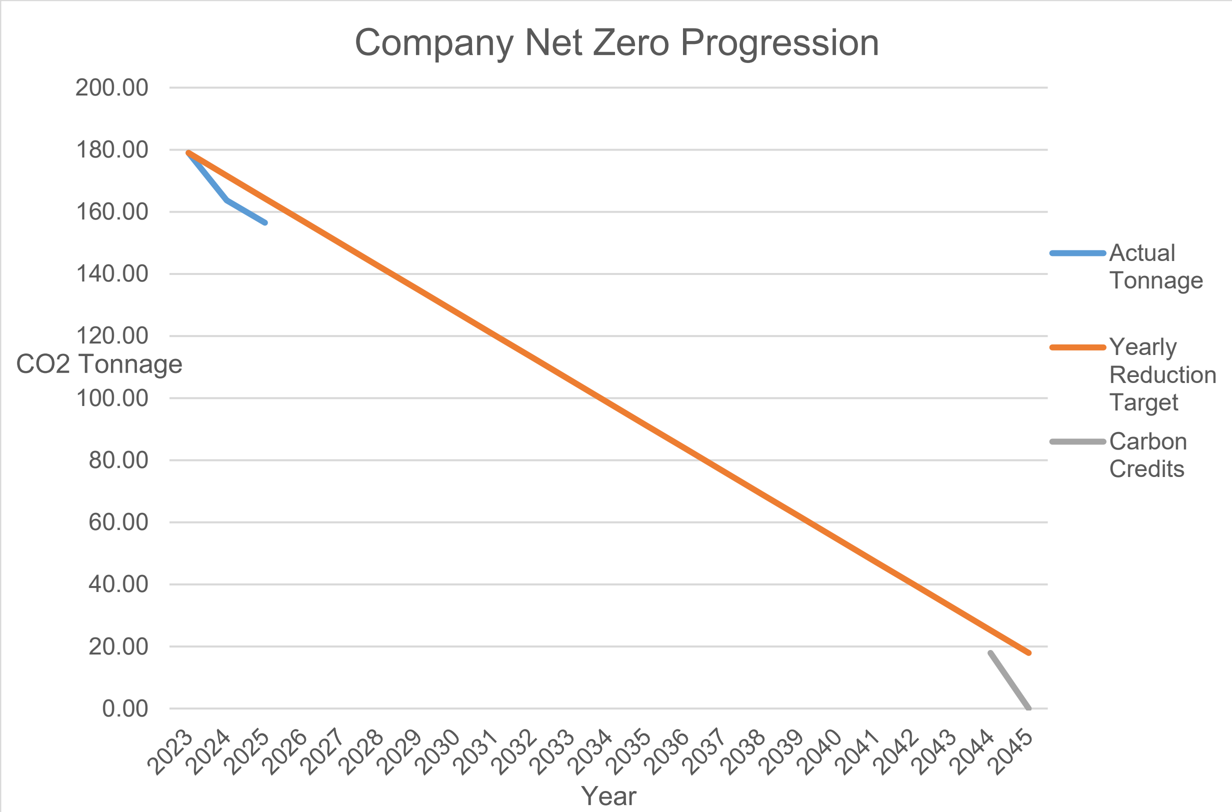
Working with our existing supply chain (HPE Aruba), we plan to deploy integrated, maintenance-free IoT sensors within our office to monitor temperature, humidity, and energy usage in real time. This will enable improved visibility of environmental performance and help identify opportunities for efficiency improvements.

Consumable purchases will be reviewed to prioritise local suppliers who create or source their goods locally.

We are looking to expand on our nature-based initiatives where possible i.e. growing wildflowers in the office garden.

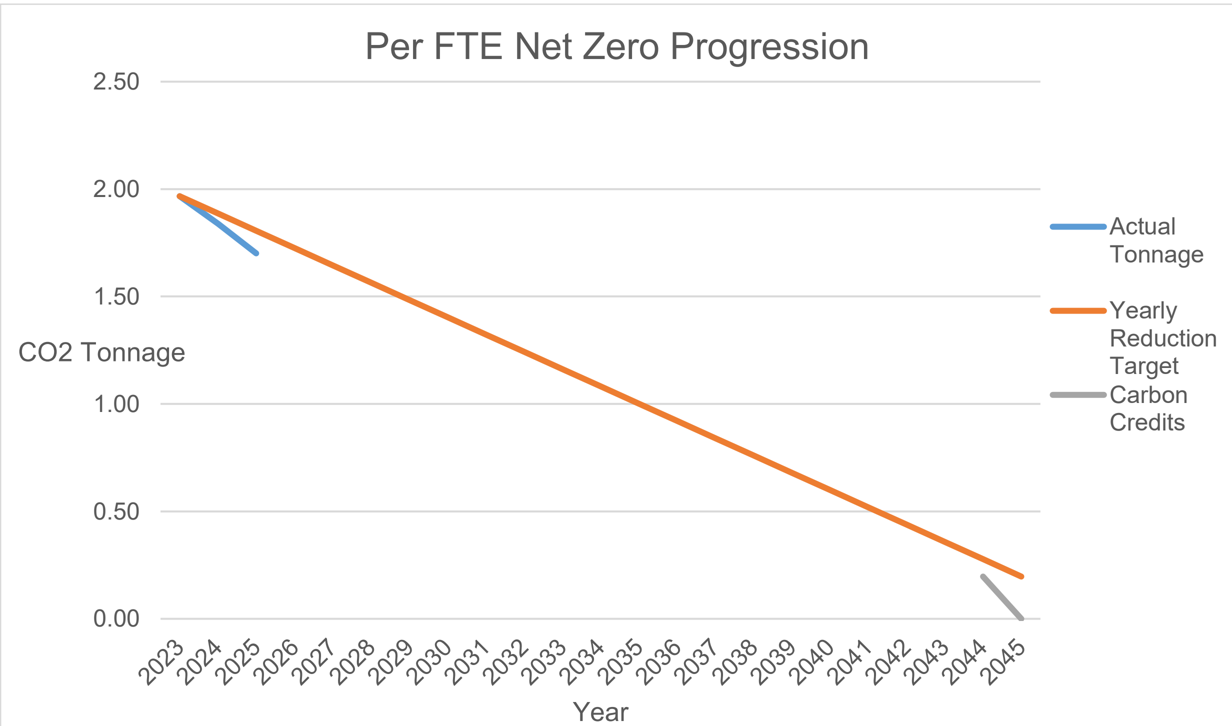
Net Zero Progress

Our current progress against our committed Net Zero target for the company is as follows:



We have projected a fixed year-on-year decrease in emissions, with a 90% reduction relative to the baseline year. We plan to use carbon credits to offset the remainder of emissions.

To help ensure the appropriate progress is made, we have also established a full-time employee (FTE) using the same projections.



Declaration and Sign-off

Our CRP has been produced in line with the guidance established in NHS Net Zero, and in accordance with PPN 06/21 and associated guidance and reporting standards 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 and use the appropriate government emission conversion factors for GHG company reporting.

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

This Carbon Reduction Plan has been reviewed and signed off by the Board of KHIPU Networks.

Approved:

Chief Executive Officer
30/6/2026