# 2024
# Sustainability Report

**KCOM**

*THE POWER IS ALL YOURS*

# Contents

## About KCOM

KCOM is a leading provider of communications and IT services to consumers and businesses across Hull, East Yorkshire and North Lincolnshire.

It is one of the UK's longest-established communications companies, connecting customers since 1904 and this year is celebrating its 120th anniversary. KCOM is a pioneering company that has been at the forefront of technology and communication developments in the decades since its inception.

KCOM's services to consumer and wholesale customers in Hull and surrounding areas of East Yorkshire and North Lincolnshire are delivered over a 4,200km Fibre To The Premises (FTTP) network.

KCOM has invested in expanding and upgrading its network to provide full fibre broadband to many remote, rural and coastal communities previously left behind by high-speed connectivity. KCOM's principal activities are:

### KCOM Consumer

- Our Consumer business unit provides internet and voice services to over 150,000 consumers and businesses in Hull, East Yorkshire and North Lincolnshire.

### KCOM Enterprise

- Our Enterprise unit provides voice, data and network services to other communications providers, businesses and public sector organisations, as well as to our retail operation, in the areas covered by our regional full fibre network.

## CEO reflection

"KCOM is committed to people, planet and prosperity by making sure our business operates in a sustainable way.

This year, we have made meaningful strides towards fulfilling our commitment to become a net zero company by 2040, 10 years ahead of the government target, with the introduction of a range of energy saving initiatives. We remain on course to achieve net zero by our target year and have reduced direct emissions from our operations 11% from a 2021 base year.

Our migration from copper to fibre telephone services continues apace and will play a major part in reducing our energy consumption and providing a network that is more resilient to the impacts of climate change.

We have adopted a collaborative approach to engaging our supply chain, recognising the wider impacts on the environment and society, and we continue to pursue partnerships with organisations that share our goals of sustainable development.

KCOM supports its people through a number of initiatives focused on wellbeing, health and safety and employee inclusion groups, all of which seek to improve the working lives of people in the business."

# Building a sustainable future

Our sustainability strategy for the year has centred on three core goals, which we see as essential for reducing our environmental impacts and delivering social value.

## 1 Working 'The KCOM Way'

We do things the KCOM Way, encompassing values that define who we are, what we do and how we do it. Our values are embedded in everyday working lives; from the way we recruit new starters to how we reward and recognise employees and help and support each other and our customers.

### Authentic and Confident

We do what we say and say what we think.  Direct, honest and down to earth, we speak up for what we believe in, embracing others for who they are, investing time to build a real sense of community spirit.

### Seeing it through

Full of grit and determination, we're great in a crisis; always willing to grab a task with both hands and crack on. We see things through to the end, even when they're tough or tricky; perfecting the details on every job to do our customers proud.

### Shoulder to Shoulder

Whether we're dealing with a big issue or just getting down the to-do list, we succeed together; supporting and inspiring each other to raise our game, lighten the load and make the most of what each of us does best.

### Passion for progress

We've been raising the bar for 120 years, and we aren't about to stop now; permanently restless, always striving for better, we don't wait for permission to try new ways but keep pushing to improve our service, spot opportunities others might miss, and go that extra mile.

## 2 Net Zero by 2040 or sooner

We expect a digital economy and demand for greater network capacity to grow, requiring more energy. We're conscious the ICT-sector is a significant producer of greenhouse gas emissions and that a huge effort will be required by the industry and our business to maintain the 1.5°C trajectory set out in the Paris Agreement.

That's why we have committed to achieving net zero emissions for our own operations and our value chains by 2040 or sooner.

We have a near term-target to reduce scope 1&2 emissions by 92.5% from our FY2021 base year.

During the year, we have analysed scope 3 emissions from our value chains to understand where we need to focus efforts to reduce these emissions, and in the coming months plan to set firm near-term scope 3 targets.

We recognise we will need to implement a range of carbon abatement measures to protect our planet, future generations and our business. To take us to 2030, our strategy will focus on:

- Continued implementation of energy efficiency plans

- Switch to renewable / low carbon electricity supply

- Encouragement of carbon consciousness among end-users and our value chains

## 3 Supporting our Communities

We continue to put our community first by supporting local groups and charities in Hull, East Yorkshire, and North Lincolnshire by committing funds, employee volunteering time and building strong, lasting charitable partnerships.

Our long-standing community partnerships enable us to deliver tangible social impact. We share common values with a core mission to improve the lives of people living and working in our region.

At the start of 2024 we announced three of those partners as our charities of the year where our staff would be focusing their 120-year anniversary fundraising efforts.

We want to open up the internet for everyone and invest to support local communities to address digital poverty, skills and accessibility.

We host drop-in sessions with Age UK Hull & East Yorkshire, Hull City Senior Tigers and The Refugee Council at our learning centre, which is accredited by The Good Things foundation.

We welcome over 2000 children year at our learning zone through our partnership with HEY Children's University.

# Governance

Achieving a sustainable future is embedded as one of the core pillars of our corporate strategy and is therefore subject to appropriate oversight and governance procedures.

We have a range of policies in place to support our sustainability strategy including wellbeing health and safety, environmental sustainability, data security, business continuity, diversity and inclusion, and procurement.

We recognise that improving the sustainability performance of the business presents a number of risks and opportunities which we consider as part of our business planning.

## Our risk management framework

We see risk management as taking the right amount of risk to support our business strategy and to align with our risk appetite.

We seek to understand our risks so that informed decisions can be taken from a risk perspective and so that risks can be either managed or mitigated as appropriate. We have controls in place to mitigate risk to an appropriate level, but we recognise that our internal control systems can provide only reasonable and not absolute assurance against material misstatement or loss.

We have a risk management framework in place to help us to identify, assess, measure, manage and monitor our key risks in a consistent way. We define key risks to be anything that may prevent us from meeting our objectives.

The framework has been in place throughout the year under review, and up to the date of approval of this Annual Report.

## Risk management responsibilities

### Board of Directors

KCOM's Board of Directors is made up of Executive and Non Executive Directors with a valuable range of skills, backgrounds and experience.

The Board has overall responsibility for setting the risk appetite for the business and for ensuring that the overall risk profile is aligned with this. It is also responsible for ensuring that the business maintains sound internal control and risk management systems, as well as reviewing the effectiveness of those systems.

Our internal risk team produces a Corporate Risk Register that is reviewed by the Board every six months. The Corporate Risk Register consolidates risks that are recorded in local registers maintained by individual teams and business units throughout KCOM.

The Board is satisfied that these systems and processes are embedded within the day-to-day activities of the business and cover all material controls, including financial, operational and compliance controls.

### Executive Leadership Team

The risk registers produced by our internal risk team are also reviewed by the ELT before they are presented to Board. The ELT is responsible for reviewing the risks that have been recorded, to ensure completeness and accuracy, as well as assessing the suitability of the mitigations in place and any proposed timescales for further controls to be implemented.

## Governance Committees

### Audit and Risk Committee

The Audit and Risk committee advises the Board as to the integrity of the company's financial reporting process, the audit process, the system of internal controls including business continuity and information technology, the identification and management of significant risks and its compliance with laws and regulations.

The Committee has oversight of, and authorises, the business financial and sustainability reporting disclosures.

### Health, Safety and Environment & Sustainability Board Subcommittee

Responsibility for our environmental and health and safety strategy lies with a subcommittee of the Board which convenes quarterly. Meetings include a review of performance and KPIs and the identification or risks and opportunities relative to the subject matter.

# Communities

## Community grants

### Approach

Our long-standing community grants programme has provided 24 grants of up to £1,000 to charities, community groups, sports clubs, and local schools in the region. All grants are chosen by a KCOM employee panel.

### Actions

- We continued our community partnership with Hull City football club, expanding the range of community-focused activities we support through the club, including donating thousands of free football tickets to young people, and continuing our successful KCOM Kits initiative, which has now provided more than 200 full team kits for local youth football teams.

- At Christmas, our people demonstrated their continued desire to make a positive difference in communities we serve. We partnered again with Hull and East Yorkshire Children's University to donate gifts to local children in care, and with Age UK Hull & East Yorkshire, to finance and volunteer at their Christmas socials and shoe box appeal.

## Digital inclusion

### One network copper-to-fibre migration

### Approach

As we continue to move our customer's landlines from copper to fibre, we have worked in partnership with Age UK Hull & East Yorkshire and local council lifeline teams to ensure our vulnerable customers get the support they need along the way.

### Actions

- We engaged with over 30 community stakeholders who support vulnerable customers and we ran regular roadshow events.

- We won national recognition at the ISPA awards in November 2023 for our community engagement and awareness campaign, designed to support our customers through the network migration.

### Opening up the internet for everyone

We don't want anyone to be left behind in an increasingly digital world which is why we continue to invest in digital funding and digital champion volunteering.  We also gave our popular Learning Zone a makeover, investing in better technology for our community users and to provide a warm and welcoming space to develop digital skills for all ages.

- We ran monthly IT drop-in "IT and Biscuits" sessions in partnership with Age UK Hull & East Yorkshire plus monthly sessions for Hull City Senior Tigers members and The Refugee Council.

- We launched our KCOM Foundation in 2023 to support local communities in addressing digital poverty, skills, and accessibility. The first round gave out 23,738 to 3 local groups and a further round is planned for later in 2024.

- Our Learning Zone is now welcoming over 2,000 children a year through our partnership with Hey Children's University where the children take full advantage of our tablets and laptops.

### STEM (science, technology, education and mathematics) Education

### Approach

Our STEM (science, technology, education and mathematics) focused activities in local schools and colleges continue to go from strength to strength.  We now have a strong contingent of KCOM Ambassadors with a passion to spark enthusiasm and interest in working in our industry.

### Action

- Children from four Hull schools joined KCOM's Parents and Carers Group and Hull and East Yorkshire Children's University for Safer Internet Day, learning about telecommunications history and online safety.

- We arranged industry Insight Days and employability engagement activities for young people.

- We were a main sponsor of Humber STEM Day for the third year running, helping deliver engineering activities for 700 primary and secondary children.

# Workforce

## Human / Labour rights

### Our approach

We respect fundamental human rights consistent with the United Nations Universal Declaration of Human Rights and we ensure this is reflected in our internal policies. We are committed to doing all we can to assist in the eradication of slavery and human trafficking. We have a zero-tolerance approach to any slavery or human trafficking activity within our business or in our supply chain.

Our employees are encouraged to raise any concerns through our Speaking Up process, ensuring that whistle blowers are protected from any unfair treatment as a result of making a report.

### Actions

- We review our Modern Slavery Act Transparency Statement annually to ensure it remains suitable and sufficient. Our most recent version is available on our website:

  https://www.kcom.com/responsibility/corporate-governance/modern-slavery-statement/

## Health and Safety

### Our approach

Our health and safety management system is aligned to ISO 45,001 and we conduct regular audits across a range of health and safety topics to monitor compliance.  The management system supports the 10 health and safety principles in our H&S policy which sets out our ambition for zero harm within our organisation.

Looking after the health and safety of our people and our contractors is critical to our operations, we target zero harm and investigate all health and safety incidents and near misses to ensure we continually improve our management processes. Our Health and Safety teams provide operational support for our work, and we work with the Board subcommittee to monitor performance and progress.

Our Executive Leadership Team and Board have participated in quarterly safety tours where they have been able to see what arrangements are in place for our employees and to talk to them about what works well and where there might be opportunities to make improvements.

### Actions

- We are now an accredited Smart Awards Centre meaning we will be able to conduct industry recognised training internally with the confidence it meets the required the industry standards.

- In October we lead a health and safety awareness event for our employees and our contractors to cement our shared commitment to working safely and to share best practice.

- During the year we have initiated engineering Safety Stand Downs following incidents when it was deemed necessary to pause work, to ensure key messages and shared learnings are communicated to our people and contractors.

- We have introduced a new H&S management platform to register audits, inspections and 'good spots' which includes hazard identification, safety/quality concerns or suggestions and positive or negative behavioural observations.

## Wellbeing

### Our approach

We work shoulder to shoulder with employees to support health and wellbeing in the workplace. We aim to reduce barriers, so that everyone can thrive and reach their full potential.

We want to ensure fair treatment for everyone and foster an inclusive working environment whilst ensuring safety and wellbeing at work.

We offer a vast array of support tools and services to help our employees stay well, including Mental Health First Aiders; Aviva Digicare+ Workplace App; Occupational Health support; Employee Assistance Programme; Thrive resilience App and Aviva Neurodiversity Pathway Support.

### Actions

- We've partnered with HEY Mind, to help to raise awareness around Mental Health. We've also delivered a range of awareness campaigns associated with wellbeing, including Nutrition talks, an Andy's Man Club session, Introducing Mind drop-in sessions, a financial wellbeing webinar and onsite health checks.

## Diversity and Inclusion

### Our approach

We are committed to fostering an inclusive and supportive work environment. The Inclusion Team, formed two years ago, has made significant progress in promoting diversity. It features several Employee Resource Groups (ERGs) focused on LGBTQ+, gender, faith, disability, neuro-inclusivity, women in tech, and parents and carers. These groups, made up of volunteers, work to ensure all employees feel valued and respected.

### Actions

- We promoted tech careers for girls and young women through events like Women in Manufacturing and Engineering (WiME), where female engineers inspire future talent.

- In March 2024, KCOM hosted an International Women's Day event with inspiring speakers like Enterprise Managing Director Jan Collins, aimed at future women leaders. A fireside chat for employees, led by women on the Executive, was also well-attended.

- KCOM were platinum sponsor of Pride in Hull, proudly supporting the LGBTQ+ community and celebrating their achievements.

- KCOM has also been the sponsor of Hull's Freedom Festival for 10 years, helping to bring the magic to online audiences. Connecting people to cultural and arts events is part of building a healthy and fulfilling community.

## Gender pay gap

### Our approach

We remain committed to achieving a balance in male/female representation across the business and have a series of initiatives in place to reach our goal.

However, the figures highlight that issues remain to bring greater balance to our organisation in terms of roles carried out by male and female employees.

KCOM remains a male dominated environment and the underlying cause of the pay gap is an ongoing structural issue. While males and females are paid equally for the same roles, females are over-represented in lower paid roles. This is exacerbated by the under representation of females in higher salaried positions. This serves to reduce each measure of mean and median pay for females working within the business.

### Action

- Our initiatives for achieving gender pay balance are focussed on our belief that the current pay gap is principally driven by the ratio of male to female employees within specific areas of our business. These areas – which include traditionally male-dominated technical and engineering roles – are parts of our organisation where we are placing significant focus on encouraging more diverse participation by women.

- Since the end of FY22/23 in which these figures were collated, we have also made significant appointments

at a senior management level within KCOM with Carrie Hutchison joining us as Chief Financial Officer and Jan Collins joining as Managing Director of our Enterprise division. Pauline Walsh joined the Board in March 2024. This has embedded voices of women at the very top of the organisation.

## Engaging our people

### Our approach

Our annual Engagement Surveys are crucial in driving meaningful change within the business, helping us focus on the areas where our employees believe action is needed to make KCOM an exceptional place to work. This September, we launched our third annual survey, building on data from previous years. In 2023, the overall favourable engagement score was 61%, reflecting a 4% increase from the 2022 survey.

### Action

- Throughout the year, we host various events that contribute to making KCOM a great place to work, including the Hull 10k Team, Cat Zero daysail, sponsorship of major local events such as Pride in Hull, Freedom Festival, HEY Mind Gala, The Yorkshire Three Peaks challenge, as well as Summer and Christmas Parties, and volunteering opportunities.

# People

| Indicator | Unit | FY2024 | FY2023 | +/- |
|---|---|---|---|---|
| **Employee numbers** | | | | |
| Total number of employees | Number | 746 | 760 | -2% |
| Average number of employees during the year | Number | 761 | 760 | +1% |
| **Sickness absence** | % | 2.7 | 3.5 | -0.8%p |
| **Employee turnover rate** | | | | |
| Total employee turnover | % | 18.4 | 28.4 | -10%p |
| Voluntary turnover | % | 11.8 | 21.3 | -9.5%p |
| **Employee engagement survey** | | | | |
| 'KCOM is a great place to work' | Agree % | 70 | 65 | +5%p |
| Overall engagement score | Favourable % | 61 | 58 | +3%p |

Sickness absence reduced 0.8 percentage points in FY2024. Total employee turnover reduced 10 percentage points; voluntary turnover by 9.5 percentage points.

Our employee engagement survey was launched for completion by all KCOM employees in September 2023, achieving a 69% response rate compared to an 80% response rate the previous year.

70% of respondents said they felt KCOM was a great place to work, up 5 percentage points from 2023. The overall engagement score increased 3 percentage points in FY2024.

Sickness absence is based on full-time employee (FTE days) and days lost to sickness.

The employee turnover rate is calculated as the number of permanent employees who have left the company relative to the average number of permanent employees in the financial year.

# Safety

| Indicator | Unit | FY2024 | FY2023 | +/- |
|---|---|---|---|---|
| Total recordable injuries (TRIs) | Number | 7 | 6 | +1 |
| Lost time injuries (LTIs) | Number | 4 | 5 | -1 |
| Hours worked | Hours | 1,330,321 | 1,335,057 | +1% |
| Total recordable injury frequency rate (TRIFR) | TRIs per million hours worked | 5.2 | 4.5 | +16% |
| Lost time injury frequency rate (LTIFR) | LTIs per million hours worked | 3.0 | 3.8 | -21% |
| Fatalities | Number | 0 | 0 | - |
| Life-changing injury cases | Number | 0 | 0 | - |

Total recordable injuries in FY2024 increased by 1. Total recordable injuries per million hours worked increased by 0.7.

Lost time injuries in FY2024 reduced by 1. Lost time injury frequency rate per million hours worked reduced by 0.8.

Total recordable injury frequency rate is calculated by multiplying the number of total recordable injuries by 1,000,000, divided by the number of hours worked.

Lost time injury frequency rate is calculated by multiplying the number of lost time injuries by 1,000,000, divided by the number of hours worked.

# Gender Diversity and Pay Gap

| Indicator | Unit | FY2024 | FY2023 | +/- |
|---|---|---|---|---|
| **Female representation** | | | | |
| Board of Directors | Female/Male | 2/4 | 1/5 | +1 |
| Executive Leadership Team | Female/Male | 2/4 | 1/5 | +1 |
| All employees | % | 30.5 | 30.9 | -0.4%p |
| **Gender pay gap** | | | | |
| Gender pay gap, median | % | 25.4 | 29.0 | 3.6%p |
| Gender bonus gap, median | % | 90.9 | 33.1 | 57.8%p |
| **Bonus allocation by gender** | | | | |
| Women receiving bonus | % | 74.7 | 97.3 | -22.6%p |
| Men receiving bonus | % | 72.1 | 90.9 | -18.8%p |

Female representation was increased by one head at both Board level and the executive leadership team. Across all the business' employees, female representation was reduced 0.4 percentage points.

The gender pay gap reduced by 3.6 percentage points and the gender bonus gap increased 57.8 percentage points.

The percentage of women receiving bonus dropped 22.6 percentage points, lower than previous years. This follows a restructuring of bonus payments which reduced eligibility for all employees across the business.

Gender pay gap snapshot taken 5th April 2023.

Total employee population at the time of the snapshot was 722 with a Male / Female split of 69.4% / 30.5%.

Total employee population eligible for bonus at the time of the snapshot was 526 with a Male / Female split of 68.6% / 31.4%.

'Bonus' includes any annual bonus, Long Term Incentive Plan (LTIP) payments, commission, and small, ad-hoc rewards.

# Environment

## Environmental management system

### Approach

We have implemented an Environmental Management System (EMS), which has been certified to ISO 14001 since 2006.

Our EMS is designed to enable management of our environmental responsibilities in way that contributes to the long-term sustainability of our business. Key areas of focus are on optimising energy and resource efficiency, reducing greenhouse gas emissions and pollution prevention.

### Actions

Over the year, our approach has contributed to reduction in our total energy consumption and waste generation. We continue to implement robust controls over pollution risks arising from our activities, to prevent contamination of land and water.

## Climate action

### Approach

KCOM has committed to achieving net zero by 2040 or sooner. We have previously set near-term targets for our scope 1&2 emissions (direct emissions from our operations) and have screened our scope 3 emissions (indirect emissions from our value chains). Most value chain emissions, over which we have significant influence, result from the products and services we purchase.

Most of our scope 1 emissions can be attributed to our commercial fleet. Our strategy to 2030 remains to transition our fleet to electric, although there are dependencies involving vehicle range and the availability of charging infrastructure which will dictate the pace at which we can complete this transition.
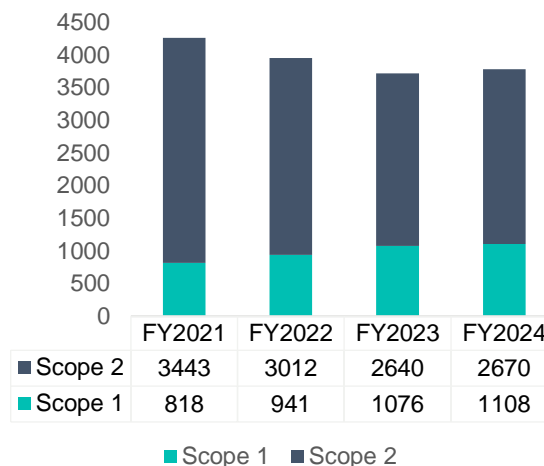
Our scope 2 emissions are a result of our electricity purchases which account for around 70% of GHG

emissions from our own operations. We have implemented a continuous programme to reduce our electricity consumption.

### Actions

- We have recently invested in improved vehicle telematics systems, which will enable more efficient operation of the current fleet but will also assist with increasing the number of electric vehicles in our fleet.

- During the reporting period we have continued with the implementation of our energy efficiency plans which have reduced consumption of purchased electricity 5% compared to FY23. Activities have included the migration of services from less efficient legacy platforms, upgrades to heating, ventilation and air-conditioning (HVAC) systems, as well as more efficient utilisation of company premises.

**Scope 1&2 GHG emissions in tonnes carbon dioxide equivalent (tCO$_2$e)**



|  | FY2021 | FY2022 | FY2023 | FY2024 |
|---|---|---|---|---|
| ■ Scope 2 | 3443 | 3012 | 2640 | 2670 |
| ■ Scope 1 | 818 | 941 | 1076 | 1108 |

■ Scope 1  ■ Scope 2

- The business has made the decision to end its purchase of electricity through a 100% renewables-tariff back by REGO certificates. The business shares concerns that REGO trading has not had the desired

impact of driving the development of current or additional renewable generation infrastructure. Additionally, divestment from REGOs presents opportunities for the business to divert funding to initiatives concerned with achieving energy efficiency gains and emissions reductions, over which the business has greater control.

- We have also participated in phase 4 of the UK government Energy Savings Opportunities Scheme (ESOS)

- Analysis of scope 3 emissions associated with purchased goods and services has given a greater understanding of where greatest effort is needed to decarbonise our value chains. We are now in a position to be able to incorporate scope 3 emissions into our near-term and net zero targets, enabling us to develop our engagement programme. Through this we aim to collect higher quality data to enable more accurate emissions reporting, and to collaborate with our partners on sustainability objectives.

# Energy Consumption

| Indicator | Unit | FY2024 | FY2023 | +/- |
|---|---|---|---|---|
| **Direct energy consumption[1] (GHG, scope 1)** | **GWh** | **3.66** | **3.41** | 7% |
| Automotive fuels[2] | GWh | 2.74 | 2.56 | 7% |
| Gas[3] | GWh | 0.26 | 0.28 | -7% |
| Oil[4] | GWh | 0.66 | 0.57 | 16% |
| **Indirect energy consumption (GHG, scope 2)** | **GWh** | **12.90** | **13.57** | **-5%** |
| Purchased electricity | GWh | 12.90 | 13.57 | -5% |
| **Indirect energy consumption (GHG, scope 3)** | **GWh** | **0.77** | **0.60** | **28%** |
| Business travel[5] | GWh | 0.77 | 0.60 | 28% |
| **Total direct and indirect energy consumption** | **GWh** | **16.56** | **16.98** | **-2%** |

In total direct and indirect energy consumption was reduced by 2% during the reporting period, compared with 2023, which can be attributed by savings in our consumption of purchased electricity.

Energy from automotive fuels increased 7% due to increased travel distances by the commercial fleet, necessary to continue network build-out and connect new customers.

Oil use rose 16% compared to 2023, which was due to higher consumption by an oil-based office heating system.

Consumption of purchased electricity was reduced by 5% due to measures implemented under our energy efficiency programme.

Energy associated with business travel increased 28%, attributed to increased activity.

[1]Direct energy consumption occurs during activities or processes under the company's control.

[2]Automotive fuel includes diesel and unleaded petrol utilised in vehicles controlled by the company.

[3]Gas includes natural gas used in central heating systems and propane used in civil construction.

[4]Oil includes fuel used by central heating systems and during the operation of standby generators.

[5]Business travel includes fuel used in personal/hire cars on business use (including fuel for which the organisation reimburses its employees following claims for business mileage).

# GHG Emissions

| Indicator | Unit | FY2024 | FY2023 | +/- |
|---|---|---|---|---|
| **Direct GHG emissions (scope 1)[1]** | **tonnes CO$_2$e** | **1,108** | **1,076** | 3% |
| **Indirect GHG emissions (scope 2)[2]** | **tonnes CO$_2$e** | **2,670** | **2,640** | **1%** |
| Purchased electricity (location-based[3]) | tonnes CO$_2$e | 2,670 | 2,640 | 1% |
| Purchased electricity (market based[4]) | tonnes CO$_2$e | 2,670 | 0 | - |
| **Total scope 1 & 2 GHG emissions (location-based)** | **tonnes CO$_2$e** | **3,779** | **3,716** | **2%** |
| **Total scope 1 & 2 GHG emissions (market-based)** | **tonnes CO$_2$e** | **3,779\*** | **1,076** | **251%** |
| **Indirect GHG emissions (scope 3)[5]** | **tonnes CO$_2$e** | **30,149** | **36,348** | **-17%** |
| Purchased goods and services | tonnes CO$_2$e | 9,073 | 14,395 | -37% |
| Fuel and energy-related activities | tonnes CO$_2$e | 1,147 | 1,116 | 3% |
| Business travel | tonnes CO$_2$e | 275 | 196 | 40% |
| Employee commuting | tonnes CO$_2$e | 477 | 409 | 17% |
| Upstream leased assets | tonnes CO$_2$e | 11 | 11 | - |
| Downstream leased assets | tonnes CO$_2$e | 19,166 | 20,221 | -6% |
| **GHG intensity (scope 1 & 2)** | **tonnes CO$_2$e per '000 revenue** | **0.0371** | **0.0367** | **1%** |

Methodologies used to calculate GHG emissions can be found in our GHG reporting criteria, published here - https://www.kcom.com/responsibility/corporate-governance/reporting/

[1] Emissions from sources owned or controlled by the company.

[2] Indirect emissions associated with the purchase of electricity, steam, heat, or cooling.

[3] Location-based method reflecting average emissions intensity of grids on which energy consumption occurs.

[4] Market-based methodology reflecting emissions from electricity the company has chosen to purchase. FY2024 MB emissions reflect the decision to end purchases of REGO certificates, in pursuit of alternative abatement measures considered to be of higher value.

[5] Indirect emissions (not included in scope 2) occurring in the company's value chain, including both upstream and downstream emissions.

**Scope 1**

Scope 1 emissions have increased 3%, predominantly as a result of the increased travel distance necessitated by operational demands.

**Scope 2**

Scope 2 emissions have increased 1% despite a 5% reduction in our consumption of purchased electricity, due to a change the UK-government provided electricity CO2e factor which increased 7% against the previous year.

\*Market-based emissions reflect our decision to discontinue purchases of REGO certificates.

**Scope 3**

Scope 3 emissions fell 17% which is mainly as result of lower emissions from purchased goods and services. An environmentally extended input output (EEIO) model was used to calculate emissions from this category.

It is recognised that, whilst useful for estimating emissions, EEIO has limitations and we intend to improve the accuracy of data by encouraging our value chain partners to provide supplier-specific and product-specific emissions data, where available.

# Waste

| Indicator | Unit | FY2024 | FY2023 | +/- |
|---|---|---|---|---|
| **Hazardous waste** | **Tonnes** | **798** | **1,119** | **-40%** |
| Reuse, recycling | Tonnes | 797 | 1,119 | -40% |
| Incineration, energy recovery | Tonnes | 1 | 0 | - |
| Landfill | Tonnes | 0 | 0 | - |
| **Non-hazardous waste** | **Tonnes** | **57** | **131** | **-56%** |
| Reuse, recycling | Tonnes | 45 | 106 | -58% |
| Incineration, energy recovery | Tonnes | 12 | 25 | -52% |
| Landfill | Tonnes | 0 | 0 | - |
| **Total waste** | **Tonnes** | **855** | **1250** | **-32%** |
| Reuse, recycling | Tonnes | 842 | 1225 | -33% |
| Incineration, energy recovery | Tonnes | 13 | 25 | -43% |
| Landfill | Tonnes | 0 | 0 | - |

Hazardous waste generation reduced 40%. The majority of hazardous waste is material excavated during civil construction. Activities of this nature were reduced during the reporting year, compared to the previous year.

Non-hazardous waste, comprised predominantly of mixed municipal waste and dry mixed recycling, reduced by 39%.

100% of total was diverted from landfill.