

Sustainability Report

2026

KCOM

THE POWER IS ALL YOURS

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A Year in Sustainability

Supporting local communities, enabling economic growth and embracing innovation are central to KCOM's purpose. We want our colleagues, customers, partners and communities to be proud of the positive difference we make for people and to the planet.

In 2025/26, we continued to make progress in our ambition to become a sustainable, net zero business. This report highlights action across our environmental, social and governance priorities, from improving digital inclusion in our communities to reducing our environmental footprint through more sustainable ways of working. Challenges remain, but we are committed to building a more connected, inclusive and resilient future for the region we serve.

Environment

Our Net Zero Commitment

As the digital economy grows, demand for network capacity and the energy needed to provide it continues to rise. We recognise the ICT sector's contribution to global greenhouse gas emissions and the scale of action required across the industry to support the Paris Agreement's 1.5°C ambition.

KCOM is committed to playing its part. We aim to achieve net zero emissions across our operations and value chain by 2040.

Our near-term target is to reduce Scope 1 and Scope 2 emissions by 80% from the FY23 baseline, revised from FY21 following structural changes associated with the sale of our national business. We are also developing a fuller understanding of Scope 3 emissions across our value chain and working with suppliers to identify priority areas for reduction.

Achieving net zero will require a broad programme of carbon-abatement measures that reduces environmental impact and strengthens the long-term resilience of our business.

Our strategy to 2030 is guided by the milestones and investment set out in our Net Zero Plan, alongside continued efforts to encourage carbon-conscious choices by colleagues, partners and suppliers.



Energy Efficiency

During the reporting period, purchased electricity consumption fell by **6.18%** compared with FY25, exceeding our 6% reduction threshold for the second consecutive year. Key actions included:

- **The continued migration from legacy platforms** to more energy-efficient systems
- **Replacement of legacy inefficient HVAC systems and controls** to enhance energy performance
- **Optimised use of company premises**, improving space efficiency and reducing energy demand

We remain focused on transitioning our commercial fleet to electric vehicles (EVs), building on our EVs already in use. The pace of adoption continues to be shaped by practical considerations, including vehicle range and the availability of regional charging infrastructure.

We continued to develop the vehicle telematics system introduced in 2024. It helps identify opportunities to improve fleet efficiency and driving standards, and its data will inform which vehicle groups could transition to EVs over time.

We also analysed half-hourly electricity data to understand consumption patterns and seasonal profiles across offices and technical sites. Comparing site profiles with benchmarks enabled us to identify and correct anomalies quickly, supporting a year-on-year reduction of more than 6%. Next year, we plan to introduce real-time, site-level alerts through our energy monitoring system.

Methodology and Assurance

Our greenhouse gas (GHG) emissions reporting is conducted in accordance with the **GHG Protocol Corporate Standard**, using the **2025 UK Government emission conversion factors** for company reporting.

To ensure transparency and credibility, our **Scope 1 and Scope 2 emissions** have undergone **independent limited assurance** in line with **ISO 14064-3** standards.

Please see our Energy Consumption and Greenhouse Gas Emissions tables in the Appendix.

Social and Community Impact

Supporting Our Communities

Our charitable activity focuses on some of the most significant challenges facing the region, particularly digital exclusion, social isolation and educational inequality. In parts of Hull, many residents lack the confidence, skills or resources to participate fully in an increasingly digital world. We respond through grant funding, colleague volunteering and long-term partnerships with local charities delivering practical support.

Charity Partnerships

Our long-standing partnerships, some spanning over a decade, enable us to deliver meaningful social impact. We share a common mission with our partners: to improve lives across our region.

Highlights from 2025/26 included:



- Launching our **Hometown Heroes Campaign** celebrating local heroes and charities on our iconic 90-year-old K6 Kiosks. Hometown Heroes | KCOM Home
- Continued and new collaborations with **Hull City Football Club, Beverley RUFC, Bridlington AFC and Hull Seahawks**, expanding wider community initiatives
- Donation of thousands of free Hull City FC match tickets to young people
- Our **KCOM Kits** programme, in partnership with Hull City FC, has now provided over **210** full team kits to youth football teams
- Hosting **Safer Internet Day** and **STEM Day** events to promote digital safety and education
- Developing our own Digital Mascot, **Komit** which delivers online safety tips to children visiting our Learning Zone.
- Celebrating **15 years** of our KCOM Learning Zone

Funding Local Impact

As a leading connectivity provider, supporting digital inclusion is a key priority for us. Since launching our **Digital Inclusion Grants** in 2023, we've awarded **£130,000** across 15 projects aimed at tackling digital poverty, improving skills, and enhancing online accessibility. Read about our winners here Digital inclusion grants | KCOM

In addition, our **Community Grants Programme,** now in its 20th year, provided **25 grants totalling £12,000** to charities, schools, sports clubs, and community groups. All recipients were selected by a panel of KCOM employees, ensuring grassroots relevance and impact.

As part of our journey toward becoming a **Carbon Net Zero** business, we continue to donate surplus technology and office equipment to local organisations.

We also donated two **K6 kiosk** shells: one to Biggin Hill Primary School, and one to the Alf Marshall Centre, both based locally in Hull.

KCOM Learning Zone

Our **Learning Zone** remains a vibrant hub for education and inclusion, welcoming over **3,000 children annually** through our partnership with Hull and East Yorkshire Children's University. The Learning Zone enables local children to engage with digital tools while learning about Hull's heritage.

We also host monthly **Digital Drop-ins** for older adults in partnership with **Age UK Hull & East Yorkshire** and **Hull City Senior Tigers**. Our popular *IT and Biscuits* sessions earned national recognition again during the **Get Online Week** campaign hosting an intergenerational event.

The Learning Zone also supports employability initiatives through our relationship with community partner, **Cat Zero** and a half term Digi Club with **Digital Grant winner, Creative Briefs.**



STEM Education

Our commitment to STEM continues to grow. Through our founding **partnership with Ron Dearing UTC**, we provide:

- Industry insight tours
- Curriculum support
- Work experience opportunities

These initiatives help bridge the gap between education and employment in tech and engineering.

KCOM Ambassadors and Volunteering

Our KCOM Ambassadors play a key role in inspiring future talent and deepening community engagement. In 2025/26, they:

- Hosted **Safer Internet Day** for 50 primary school digital champions
- Led engineering activities for over **700 children** at Humber STEM Days
- Facilitated **20 work experience placements**
- Supported the **Women into Manufacturing and Engineering (WiME) Raising Aspirations** programme, engaging 45 young girls in tech

Every KCOM employee is entitled to **two** volunteering days annually, which they use to support local causes - often as teams, fostering both community engagement and personal wellbeing.

In 2025/26, our people volunteered over **1,300 hours**, including:

- 300 hours during the Christmas period to local charities
- Partnering with Hull and East Yorkshire Children's University to donate gifts to **100** children in care
- Supporting Age UK Hull & East Yorkshire's Christmas socials and **Shoebox Appeal – wrapping and delivering to isolated pensioners.**

Our People

Engaging Our People

At KCOM, we believe that listening to our people is essential to creating a positive and inclusive workplace. Our annual Engagement Survey helps us understand colleague experiences, identify areas for improvement and take meaningful action to enhance wellbeing across the business.

This year, our annual Engagement Survey score increased by **13%**, demonstrating positive progress in how our colleagues experience working at KCOM.

Throughout the year, we brought colleagues together through events, activities and community initiatives designed to strengthen connections, celebrate successes and foster a sense of belonging. These experiences contribute to a vibrant workplace culture where people feel valued, supported and proud to be part of KCOM.

Our Values

This year, we introduced a new set of company values designed to energise, unite and guide our people as we continue to deliver our strategy and transformation ambitions.

Our values underpin how we work, make decisions and support one another. They help create a high-performance culture of accountability, collaboration and continuous improvement, enabling us to attract and retain great talent, deliver excellent customer and employee experiences, and achieve sustainable business success.

Our values are:

- **Make it Happen**
- **Quick to Act**
- **Better Every Day**
- **All in Together**

Together, these values provide a shared foundation for how we work and the behaviours that will help KCOM succeed both now and in the future.



Health and Safety

Health and safety remains fundamental to how we operate at KCOM and is embedded throughout every aspect of our business. Strong leadership, employee engagement and a shared commitment to ensuring everyone returns home safely every day have contributed to another year of excellent health and safety performance.

Our focus on continuous improvement has further strengthened a positive safety culture, where safety is seen as an enabler of operational excellence rather than a barrier to delivery. Safety considerations are integrated into daily decision-making, planning and execution, helping to effectively manage risk while supporting customer service and business performance. This approach has contributed to a continued reduction in accidents and incidents across the business.

A key factor in our success is our proactive safety culture, with employees, contractors and leaders actively identifying risks, sharing lessons learned and promoting safe behaviours. Through regular engagement activities, audits and site visits, we continue to reinforce personal accountability and collective responsibility for health and safety.

Visible leadership remains central to our approach. Throughout the year, members of the Executive

Leadership Team undertook regular site visits, safety tours and audits, demonstrating their commitment to safe operations, engaging directly with colleagues and contractors, and driving continuous improvement.

Initiatives such as our 90-Day Health and Safety Plans and Safety Champion Network continue to support engagement and maintain focus on the behaviours and standards that underpin our performance. Contractor management also remains a priority, supported by robust assurance processes, audits, KPI monitoring and collaborative engagement to ensure consistent standards across our supply chain.

Our enhanced audit and assurance programme provides valuable insight into compliance and risk management, while continued investment in training and competence development ensures employees and contractors have the knowledge, skills and confidence to work safely. Our commitment to high standards is further reflected in our continued Elite CHAS Accreditation, supporting best practice, independent assurance and regulatory compliance.

Looking ahead, we remain committed to building on these strong foundations through visible leadership, employee engagement, contractor partnership and continuous improvement, ensuring we continue to protect our people, customers, contractors and the communities we serve.

Wellbeing

Mental health and wellbeing continue to be a key priority at KCOM. At the start of the year, we signed up to the Hull and East Yorkshire Mind Wellbeing Charter, and at the charity's 50th anniversary gala, KCOM was honoured with a special recognition award for community impact. Our partnership with Hull and East Yorkshire Mind not only supports fundraising efforts but also provides direct support to colleagues, with monthly drop-in sessions available across both office locations and online, offering access to trained professionals.

Wellbeing Week included a step challenge in which more than 80 participants collectively recorded over 15 million steps, alongside health checks attended by more than 100 colleagues. Additional initiatives, including men's health clinics offering PSA testing, provided further practical support.

Diversity, Equity and Inclusion

Diversity, Equity and Inclusion (DE&I) are central to KCOM's people strategy. We believe diverse perspectives drive innovation, strengthen decision-making and deliver better outcomes for our colleagues, customers and communities.

Supported by our Inclusion Team, we continue to promote inclusive practices, raise awareness and foster a culture where everyone feels valued, respected and able to thrive.

Celebrating Identity and Community

KCOM has demonstrated a strong commitment to LGBTQ+ inclusion through its long-standing partnership with Pride in Hull, serving as a Platinum Sponsor for four consecutive years. In 2025, the event attracted an estimated 170,000 attendees, providing a significant platform to celebrate diversity and champion inclusion across the region. Each year, colleagues participate in the parade alongside friends and family, visibly demonstrating KCOM's support for the LGBTQ+ community and helping to foster a culture of belonging.

This commitment has been further strengthened through KCOM's sponsorship of Beverley Pride, supporting the event's growth and extending its advocacy for inclusion beyond Hull. Together, these partnerships reflect KCOM's ongoing dedication to creating an inclusive environment where everyone feels valued, respected, and able to be themselves.





Cultural Diversity

KCOM's annual Cultural Day celebrated the diverse backgrounds and experiences of our colleagues, bringing together more than 150 employees to share and learn about different cultures. Through food, games, arts and networking activities, colleagues explored global traditions, encouraged meaningful conversations and strengthened cross-cultural understanding.

The event supports KCOM's commitment to fostering an inclusive workplace where everyone feels valued, respected and able to bring their authentic selves to work. Its continued success reflects the important role that diversity, connection and belonging play in our culture.

Supporting Our Veterans

This year, we enhanced our Inclusion Team by introducing a Veterans Employee Resource Group, providing a platform for colleagues with armed forces connections to share experiences and support one another, in line with our commitment to the Armed Forces Covenant.

During Armed Forces Week, colleagues came together for themed celebrations, while raising funds for Hull 4 Heroes.

Raising Awareness of Neurodiversity

During Neurodiversity Celebration Week, KCOM recognised and celebrated the value that different ways of thinking and working bring to our organisation. Activities included a colleague podcast sharing their lived experience of ADHD, an interview exploring life with Dyspraxia, and a Neurodiversity Inclusion Webinar delivered in partnership with Inclusive Employers. These initiatives helped to raise awareness, build understanding, and foster a culture where colleagues feel encouraged to have open and honest conversations about neurodiversity.

Gender Pay Gap

KCOM's gender pay gap increased in 2025, with a mean gap of 17.2% and a median gap of 23.2%. This continues to be driven by the under-representation of women in higher-paid technical, engineering and leadership roles, rather than pay differences for equivalent roles.

We remain committed to improving gender balance across the business through targeted recruitment, development opportunities and initiatives that support the progression of women into technical and leadership positions.

Read our latest gender pay gap report.

Supporting Gender Inclusion

Developing and retaining female talent remains a priority. During the year, 19 women colleagues progressed through leadership apprenticeship programmes, helping to strengthen our future leadership pipeline.

We also continued to support initiatives aimed at encouraging more women and girls to consider careers in technology and engineering. Through our involvement in Women in Manufacturing and Engineering (WiME)'s Raising Aspirations programme, alongside careers events, insight days and industry partnerships, we engaged with young people across the region to challenge stereotypes and showcase opportunities within the sector.

To celebrate International Women's Day, we welcomed 50 students from local schools and colleges to an event focused on inspiration, networking and career development, providing opportunities to hear from role models and gain insight into a range of career pathways.

Governance

Risk Management Framework

Effective risk management underpins the delivery of our strategy and long-term resilience. At KCOM, we take a balanced approach to risk, enabling innovation, growth and informed decision-making while operating within our defined risk appetite.

Our risk management framework provides a consistent approach to identifying, assessing, managing and monitoring risks that could impact the achievement of our objectives. Supported by a system of internal controls, the framework helps ensure risks are understood, appropriately mitigated and regularly reviewed. While these controls provide reasonable assurance, they cannot eliminate all risk of loss or misstatement.

The framework remained in operation throughout the year and continues to support effective risk oversight across the business.

Risk Governance and Responsibilities

Board of Directors

The Board has overall responsibility for risk management and internal control. It sets KCOM's risk appetite, monitors the Group's risk profile and oversees the effectiveness of the systems and controls in place to manage key risks.

The Board regularly reviews the Corporate Risk Register, which consolidates risks identified and managed across the business, and is satisfied that risk management and internal control processes remain embedded within day-to-day operations.

Executive Leadership Team (ELT)

The ELT is responsible for the ongoing review and management of risk across the business. It reviews the Corporate Risk Register, assesses the effectiveness of existing controls and mitigation plans, and ensures emerging risks are appropriately identified and managed before escalation to the Board.

Audit and Risk Committee

The Audit and Risk Committee supports the Board by overseeing the integrity of financial reporting, the effectiveness of internal controls and the management of principal risks, including cyber security and business continuity.

The Committee also monitors compliance with relevant legal and regulatory requirements and provides oversight of both financial and sustainability reporting to support transparent and effective disclosure.

Modern Slavery

KCOM maintains a zero-tolerance approach to modern slavery and human trafficking in both our operations and supply chain. We are committed to identifying, preventing and addressing these risks wherever they arise.

Our Modern Slavery Act Transparency Statement is reviewed annually to ensure it remains effective, compliant and aligned with evolving best practice. Read our latest statement.

Appendix: Environmental Performance Data

Energy Consumption Data point	Unit	FY26	FY25	+/-
Direct energy consumption (GHG, scope 1)	**GWh**	**2.30**	**2.96**	**-22%**
Automotive fuels[1]	GWh	1.42	2.11	-33%
Gas[1]	GWh	0.22	0.22	0%
Oil[1]	GWh	0.66	0.63	5%
Indirect energy consumption (GHG, scope 2)	**GWh**	**11.43**	**12.19**	**-6%**
Purchased electricity	GWh	11.43	12.19	-6%
Indirect energy consumption (GHG, scope 3)	**GWh**	**0.46**	**0.71**	**-36%**
Business travel[4]	GWh	0.46	0.71	-36%
Total direct and indirect energy consumption	**GWh**	**14.18**	**15.86**	**-11%**

[1] Diesel and petrol used by company-controlled vehicles
[2] Natural gas consumption for heating of premises. Propane used in engineering operations
[3] Oil processed in ICE generators for electricity generation. Oils used in engineering operations
[4] Fuel used in personal/hire cars on business use (including fuel for which the organisation reimburses its employees following claims for business mileage).

Greenhouse gas (GHG) emissions Data point	Unit	FY26	FY25	+/-
Direct GHG emissions (scope 1)	**tonnes CO2e**	**807**	**779**	**4%**
Company vehicles	tonnes CO2e	368	535	-31%
Fugitive emissions – industrial-process refrigeration	tonnes CO2e	218	28	679%
Oil (heating)	tonnes CO2e	166	170	-2%
Oil (generators)	tonnes CO2e	15	5	200%
Methane gas	tonnes CO2e	38	38	0%
Engineering plant and equipment (construction)	tonnes CO2e	<1	<1	-
Propane	tonnes CO2e	2	2	0%
Indirect GHG emissions (scope 2)	**tonnes CO2e**	**2024**	**2523**	**-20%**
Purchased electricity (location-based)	tonnes CO2e	2024	2523	-20%
Purchased electricity (market based)	tonnes CO2e	2024	2523	-20%
Total scope 1 & 2 GHG emissions (location-based)	**tonnes CO2e**	**2831**	**3302**	**-14%**
Total scope 1 & 2 GHG emissions (market-based)	**tonnes CO2e**	**2831**	**3302**	**-14%**
Indirect GHG emissions (scope 3)	tonnes CO2e	170	212	**-20%**
Business travel[4]	tonnes CO2e	170	212	-20%
Total direct and indirect energy consumption	**GWh**	**14.18**	**15.86**	**-11%**
GHG Intensity (scope 1 & 2)	**tonnes CO_2e per '000 revenue**	**0.0316**	**0.0343**	**-8%**

[5] LB - Location-based emissions calculated in line with the UK grid-average emissions factor provided by the UK government

[6] MB - Market-based emissions from electricity the company has chosen to purchase