



ESG Year End Report 2024

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Environment, Social and Governance

How we look after people, planet and profit

An ethical business is a strong business and by continually reviewing our position and performance against Environment, Social and Governance (ESG) criteria we are building a resilient business that has a positive impact on the environment and its people.

In 2024, Cloud primarily focused on governance aspects of ESG, as this area was the least developed within our organisation. Having assigned a governance lead, increased ethical business training, and achieved ISO 27001, the governance area has been significantly strengthened.

We externally assess our overall ESG position using Ecovadis. We currently hold a GOLD badge with the goal to reach platinum by the end of 2025.



RAG Status of Our Key ESG Goals in 2024

—

Assign a Governance Lead

G

- Kate Chamberlain has taken responsibility for governance, supporting on risk assessments, anti-corruption, and quality management.

A

CO₂ reduction of 12% against 2023

- In the emissions we control this target was met but we have not managed to accurately measure our supply chain emissions, but this will be done in 2025.

G

Investigate gender pay gap

- We understand why there is a gender pay gap, ultimately, we have limited options to improve it due to already having equal pay, anonymous hiring, and having many females in senior positions.

A

eNPS score increase

- A slight decrease, however, our eNPS is still well above the industry average of 25, being 69 for the year.

G

ESG score > 61

- We exceeded this goal and achieved a score of 71.



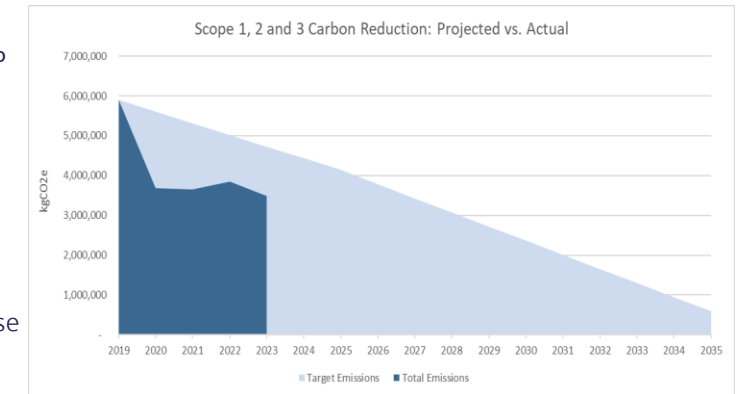
Environment – How We Care for the Planet

Objectives and Key Results

- Reduce Carbon Footprint
 - Scope 1 emissions reduced by 64%
 - Scope 2 emissions reduced by 100%
 - Scope 3 emissions
 - Supply Chain – 3% increase
not accurately measured
 - Business Travel – 2% decrease
 - Employee Commuting 17% decrease
- Protect the Environment
 - ESG ambassadors and intranet pages, supporting employees and getting them involved
 - Organised a local beach clean, also supporting a start-up Planet Caretakers

0.3% tCO₂e

2024 increase against 2023, due to supply chain carbon calculation – plan to enhance this in 2025



2024 vs 2023 Carbon Footprint



Gas – down 57%



Electric – down 100% due to renewable electricity



Fleet – down 66%



Purchased goods & services – up 3% (not calculated accurately)



Business Travel – down 2%



Employee Commuting – down 17%

Measuring Progress

Metric	2024	2025 Target
Scope 1, 2 and 3 CO ₂ reduction against 2019 baseline	40%	55%
Supply Chain Scope 3 calculated	29%	60%



Social – How We Care for People

Objectives and Key Results

- **Supporting Colleagues Reach their Full Potential**
 - Provide equal opportunities
 - Encourage career progression and growth
 - We reduced H&S incidents last year
 - We increased training hours last year
- **Supporting Suppliers Reach their Full Potential**
 - Regular meetings with Cloud performance manager
 - Define outcomes in the new Service Level Document
 - Guidance to guard against over committing and meeting compliance

Measuring Performance

Keys Metrics	2024	Comments
eNPS	69	Well above industry average of 25
Investors in People	Gold	Feeding into continuous improvement
H&S Incidents	11	Down 45% on 2023

Governance – Building a Resilient and Ethical Business

We aim to thread sustainability throughout everything we do at Cloud, maintaining an ethical and resilient business

We focused on strengthening governance in 2024 and made some great progress:

- Assigned governance lead – Kate Chamberlain
- Audit and update of quality management system
- Enhanced document management
- Carried out corruption risk assessments
- Trained all employees on anti-corruption topics
- Strengthened information security through obtaining ISO 27001



Keys Metrics	2024	Comments
Employees trained in anti-corruption, target 100% within 3 months of employment	100%	100% increase
Number of cases of corruption, target zero.	0	
Percentage of business functions covered by the Cloud anti-corruption risk assessment, target all key departments	100%	100% increase
Third party review of information security carried out annually .	Achieved	ISO 27001
Number of customer complaints related to data privacy	0	

Plans for 2025

Our key objectives for 2025 are to get accurate carbon data for our supply chain and to look at the social aspects of our business

- ESG score Ecovadis Platinum
- Implement updated quality management system tools
- Accurately calculate >60% of suppliers CO₂
- Launch new performance management system
- Develop leaders in the business
- Supplier recognition and feedback



Appendix – Environmental Reporting

2024 Cloudfm Total Energy, Water and Waste Volumes

Raw data for calendar year 2024. Data taken from supplier invoices. Waste and water volumes are very low and do not indicate the need for additional reduction measures currently. Electricity consumption has reduced due to exiting The Hub office, and gas has significantly reduced due to using a heat pump instead of the gas boiler.

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total 2024
Electricity (kWh)	10,147	7,900	7,741	6,761	5,288	5,373	5,730	5,658	5,438	5,940	7,309	7,789	81,074
Gas (kWh)	12,168	12,168	7,693	5,842	6,037	2,573	-	-	-	-	11	-	46,493
Total Energy (kWh)	22,315	20,068	15,434	12,603	11,325	7,946	5,730	5,658	5,438	5,940	7,320	7,789	127,567
Total Renewable Energy (kWh)	10,147	7,900	7,741	6,761	5,288	5,373	5,730	5,658	5,438	5,940	7,309	7,789	81,074
Water (m3)	8	11	10	9	2	17	9	9	5	9	6	3	98
Waste (kg)	172	268	301	301	268	301	268	182	39	20	24	22	2,166
Recycling (%)	81.4%	69.44%	69.44%	69.44%	69.44%	69.44%	73.13%	85.16%	38.46%	100%	0%	0%	70%



Appendix – Carbon Reporting

2024 Cloudfm Carbon Position Against 2019 Baseline – SECR Year Reporting Aligned to SBTi Submission.

Kg/CO2e					
Target Year	2019	2020	2021	2022	2023
FY Data Period	2019/20	2020/21	2021/22	2022/23	2023/24
Scope 1	951,470	111,390	109,660	118,835	84,005
Gas Premises	52,160	21,980	21,590	22,090	15,636
Fleet	899,310	89,410	88,070	96,745	68,369
Scope 2	82,810	37,260	25,690	19,560	9,026
Scope 1 and 2 Total	1,034,280	148,650	135,350	138,395	93,031
Scope 3	4,874,871	3,531,432	3,514,016	3,708,420	3,398,427
Business Travel	154,298	8,096	76,026	39,191	27,357
Employee Commuting	387,463	10,299	38,012	68,124	32,045
PGS	4,333,110	3,513,037	3,399,977	3,601,105	3,339,024
Total Emissions	5,909,151	3,680,082	3,649,366	3,846,815	3,491,458
Reduction to Baseline		-38%	-38%	-35%	-41%
Reduction to previous year		-38%	-1%	5%	-9%
Reduction Scope 1 and 2		-86%	-9%	2%	-33%
Reduction Scope 3		-28%	0%	6%	-8%



Appendix – GHG Inventory

2019 Baseline Year – GHG Inventory Aligned to the GHG Protocol Reporting Guidelines

Category	Cloudfm Relevance	Method/Data	Data Required	Data Responsibility/ Source	2019* Baseline Emissions (kgCO2-eq)	% of total Scope Emissions
Total Scope 1, 2 and 3 Emissions		Reporting Boundary: Includes scope 1 (own fleet and gas on premises), Scope 2 (grid electric for premises) and Scope 3 (categories 1 and 6 - see below for detail)			5,909,151	
Scope 1	High	Fuel from fleet and gas from boilers	Fleet fuel and kWh gas	Finance Annual Report/SECR	951,470	16%
Scope 2	High	Purchased electricity	kWh electricity	Finance Annual Report/SECR	82,810	1%
Scope 3	High	Categories: 1 and 6, See below for breakdown	Various	See below	4,874,871	82%
Scope 3 Breakdown	Relevance	Method/Data	Data Required	Data Source	2019 Baseline	% of Scope 3 Emissions
1. Purchased goods and services	High	Hybrid method used. For base year 2019 supplier spend is used, which shows 97% of Cloudfm spend comes from real estate services, therefore the remaining 3% of spend categories have been excluded. The carbon factor for real estate services from Quantis has been used. In order to show reductions and improvements it is necessary to collect scope 1 and scope 2 data from key suppliers and calculate this using the GHG Protocol hybrid method. As this data is obtained we will remove supplier spend and replace with actual calculated carbon. Having reviewed supplier data the trend is for over 90% of their scope 1 and 2 emissions to be from fleet fuel usage. To enable better detail we will request the fuel usage for works carried out for Cloudfm and use this as the base for our Scope 3 emissions. Where fuel usage specifically for Cloudfm is not available we will apply a factor to the suppliers total fleet carbon to calculate the portion associated with Cloudfm. Where this data is not available supplier spend will be used.	Supply chain spend Supplier specific fleet data for fuel usage	Finance for spend data. ESG and Supply Chain for supplier CO2	4,333,110	89%
2. Capital Goods	N/A	Covered in category 1 as capital goods are accounted for within purchased goods and services spend and not material enough to need a separate category.	Capital good spend	Out of scope	NA	
3. Fuel and energy not in scope 1 and 2	N/A	Calculated in Scope 1 and Scope 2, supply chain fuel calculated under Scope 3 category 1.	Fuel Usage	Out of scope	NA	
4. Upstream Transportation and Distribution	Low	Goods delivered to Cloudfm from tier 1 suppliers. Have used road transport spend that covers distribution and couriers. This equates to less than 0.5% of scope 3 emissions, so is out of scope.	Fuel, distance or spend	Out of scope	3880	0.1%
5. Waste generated in operation	Low	Disposal and treatment of waste is minimal for Cloudfm. Have used spend on waste to quantify and is less than 0.5% of scope 3 emissions, so is out of scope.	Waste spend or volume and disposal method	Out of scope	1,817	0.04%
6. Business travel	Med	For base year 2019 the spend provided by Finance for air, rail and hotels has been used and multiplied by the relevant carbon factor taken from the Quantis scope 3 screening tool. Data for road travel has been taken from employee mileage claims. As data quality/availability improves through our expense system (SAP Concur) the distance traveled/number of nights spent, from start date to end date, on business travel will be used. The DBEIS UK government factor for each transport type will be used for 2023 onwards.	Fuel, distance or spend	Finance for spend data and SAP Concur expense system	154,298	3%
7. Employee commuting	Low	Lack of commuting data has made it difficult to calculate this area accurately. Commuting to the office has reduced significantly since 2019 due to our remote working policy.	# employees total, #employees commuting, ave distance commuted, type of transport	Finance for commute expenses, postcodes and swipes to estimate employee mileage.	387,463	8%
8. Upstream leased assets	N/A	Covered in scope 1 and 2		Out of scope	NA	
9. Downstream transportation and distribution	Low	Distribution of Mindsett and other Cloudfm products to end consumer. Not present in base year but may become a consideration from 2023 onwards. Currently out of scope.	Fuel volume	Out of scope	NA	
10. Processing of sold products	N/A	No processing of sold products		Out of scope	NA	
11. Use of sold products	Low	Mindsett energy use is not material. In future could include customer energy use in this category but this would require detailed data and our own ability to impact client energy use. Currently out of scope	Customer scope 1 and 2 emissions	Out of scope	NA	
12. End of life treatment of sold products	Low	Waste disposal and treatment of Mindsett product. Not relevant in base year and currently low volume so not material. Currently out of scope.	Waste volume and disposal method	Out of scope	NA	
13. Downstream lease assets	Low	We sub lease a small office space and have requested the energy consumption of that premises. It is electric only and the calculated Scope 2 emissions are less than 0.5% of our scope 3 emissions, so is out of scope.	Scope 1 and 2 of asset	Out of scope	13,500	0.3%
14. Franchises	N/A	No franchises		Out of scope	NA	
15. Investments	N/A	No investments	Fuel volume	Out of scope	NA	



Appendix: Social Metrics

Create a Diverse Workplace

- ↑ Females as statutory directors- **50%** (improved 25%)
- ↓ Mean gender pay gap - **26%** (<20% target) (improved 8%)
 - Non-British nationals - 14.4%

- ↑ Peakon ave. response rate – **95%** (target 70%) (improved 2%)
- ↓ eNPS – **69** (80 target for 2025) (down 3%)
- ↑ Ave. hrs. training/FTE **27 Hours** (tgt. >20) (improvement 125%)
- ↓ Employee turnover **14.2%**, regret turnover **6.5%** (15% target)
- ➡ Permanent employees with access to social benefits – **100%**

Engage, Develop and Retain Employees

Arrows show movement from last year. Red, amber, green rates performance against target

Keep Everyone Safe and Healthy

- ↓ No. work related injuries – **4**
- ➡ No. work related fatalities – **0**
- ↓ No. incidents – **11** (down 45%)
- ➡ LTI frequency and LTI Severity – **0**

Qualitative Measures: Supply Chain

- Supplier Social days
- Regular meetings with performance manager
- Due diligence checks and support
- Guidance to guard against over committing

Support and Engage the Supply Chain

Appendix: ESG Organisational Chart

Corporate Governance / ESG

