

Carbon Reduction Plan



Code: ESG-RPT-CRP-02

Carbon Reduction Plan: June 2025

Our Climate Goals

Cloud have carried out an environmental materiality assessment, finding carbon as our biggest environmental impact and the one area we could make big changes. Having a large supplier base means many of our emissions sit within scope 3, so we have taken the challenge of tackling scope 3 head on.

We believe climate change is an immediate issue that every business must get behind, so we have set an incredibly bold ambition, to not only reduce our direct emissions but also those of our supply chain. To achieve this we don't have all the answers but we have made a great start and we are continually defining new pathways, exploring innovations, and will continue to collaborate and share with others to accelerate our mutual progress.

Science-Based Targets

In 2022, we had our carbon targets validated by the SBTi. Our emission reduction targets are in line with the ambitious goals of the Paris Agreement, ensuring the planet is kept at a safe global temperature.

We aim to achieve a 90% reduction in scope 1, 2 and 3 emissions by 2035 from a 2019 base year, on an absolute basis. In line with the SBTi requirements 10% of baseline emissions can be offset for us to reach net zero.

Baseline year: 2019

Baseline Year Emissions – Total: 5,909 tCO₂e

Scope1: 951 tCO₂e

Scope 2: 83 tCO₂e

Scope 3*: 4,875 tCO₂e

*Scope 3 has initially been calculated using the spend method as set out in the GHG Protocol Guidance for Scope 3 Calculation. As better supplier carbon data is captured there will be an opportunity to re-baseline and use the Hybrid Method of calculation.

Process owner role: Head of ESG	Approved date: June 2025	Next revision date: June 2026
Business: Group	Version: 3	

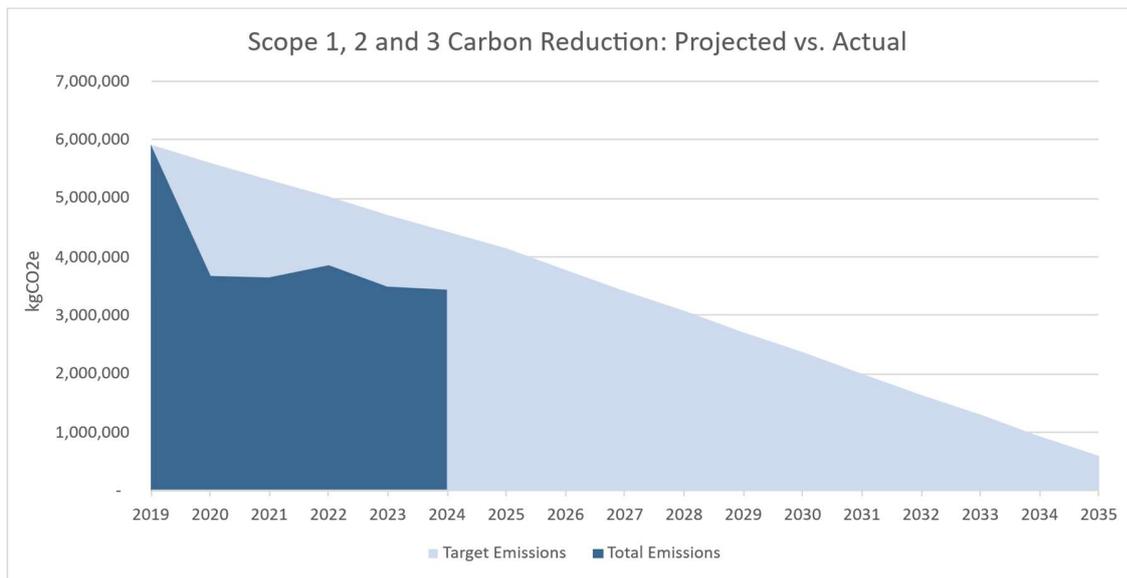
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Our Progress

As of **calendar year end 2025** we have continued to reduce our direct scope 1 and 2 emissions, using our own patented technology to manage energy consumption in our buildings, purchasing 100% renewable electricity, consolidating buildings and promoting remote work to reduce business travel. We have found counting and reducing our supply chain emissions challenging. A plan is in place to automatically collect carbon data from our mobile engineering suppliers, until this is complete the data is skewed by purchased goods and services.



In addition, we are certified to ISO 9001 Quality Management and ISO 14001 Environmental Management, and have an Ecovadis Gold rating, with a target to achieve Gold in 2026.

Key Numbers

91% - Scope 1 and 2 reduction to date from baseline, predominately from remote working, consolidating buildings, energy efficiency measures, and purchasing 100% renewable electricity.

30% - Suppliers now providing actual carbon emissions data.

100% - Renewable electricity from Ecotricity is powering our premises, providing certified renewables and investing in renewable additionality to the grid. Giving us zero scope 2 market based emissions.

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Carbon Initiatives

Emission Reduction Initiative	Emission Scope	Description	Initiative Start Date	Estimated Annual Savings (kgCO2e)*
Owned fleet reductions	1	Fleet reductions through outsourcing and electrification.	2024	65,000
Electrify heating	1	Using heat pump rather than gas boilers.	2024	2,000
Supplier vehicle electrification	3	Supporting and encouraging suppliers to go electric where possible - using Cloud ESG Score to recognise suppliers that make the move.	2024	2,166,555
Supplier driver efficiency/telematics	3	Encouraging suppliers to introduce telematics to help improve the miles per gallon of their fleets.	2025	303,318
Route efficiency	3	Enabling job bundling and smart route planning using our inhouse Freedom technology.	2025	649,967
Remote engineering	3	Being able to offer online support to site teams or engineers so that items that need more technical support can have that support remotely, saving transport emissions, time and cost.	2026	866,622
Total				4,053,461

*Full annual savings will not always be realised from the initiative start date, they will grow over time.

Product Carbon Footprint

We have calculated the product carbon footprint of our patented PRISM box. This process has helped us scrutinise our supply chain and identify where emissions are coming from to aid continual improvements.

Customer Carbon Reduction

In order to support our customers in also reaching net zero we have designed our products and services to reduce our customer scope 3 carbon by being a low carbon supplier, but also supporting them reduce scope 1 and 2 through our PRISM Mindset, and Freedom technology which allows them to understand energy performance at an asset level, and to predict failure along with alerting when equipment needs maintenance. This demand and performance led approach means equipment is fixed before it fails, and only replaced when it needs to be. We are also able to use our expertise to support customers pulling net zero initiatives together, helping them map out their own net zero pathway.

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Carbon Offsetting

Cloud recognise offsetting plays an important role in collectively achieving net zero emissions, we do put priority on actual emissions reductions but are planning to purchase offsets before our 2035 target year. Having investigated offset options there is a responsibility to carry out further research and due diligence on offsets before we purchase them.

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