



KID-A

DECARBONISATION REPORT JULY 2023

“Look again at that dot. That's here. That's home. That's us. On it everyone you love, everyone you know, everyone you ever heard of, every human being who ever was, lived out their lives.” Carl Sagan, Pale Blue Dot, 1994

What's up everyone, and a very warm welcome to the inaugural Kid-A Decarbonisation Report (we're trying to think of a more interesting name, but this will do for now). This report will give you a ring side seat of our net zero journey so far, a packed journey with many twists and turns, rabbit holes and dead ends, and one which picked up real pace back in November 2022.

Although a short journey so far in duration; it is one we are extremely proud of. Now we have hit the acceleration pedal and are riding a high-speed green turbocharger... at maximum speed, the only speed that will give us all a chance to make a dent in this climate emergency, which is playing out in front of our eyes.

Everything begins at the beginning, so let's start there...





Base Year Emissions

Back in November 2022 we started working out our base year GHG inventory (FY 22/23), following the guidelines set out in the Greenhouse Gas Protocol Standard. The base year inventory is important as it is the reference point against which emissions reduction can be measured. We wanted to understand our entire carbon footprint (Scope 1, 2 and 3) and for us this means emissions in our direct control, and indirectly from purchased energy, and the most relevant activities across our value chain; where there is available and accessible data and where we have visibility, influence, and control.

Being open, honest and transparent is part of our DNA. However, as we have discovered, carbon reporting is not an exact science and some of the calculations are based on a number of best estimates and assumptions so we thought it was a good idea to ask an independent third party to mark our homework. In May 2023 our base year GHG inventory was independently verified by a couple of very knowledgeable GHG ninja's (is that a thing?), who gave us the green light and rubber stamped that our base year inventory was compliant to both the GHG Protocol Accounting and Reporting Standard and ISO 140064-3 Guidance for the Verification and Validation of Greenhouse Gas Statements.

Boom! (It's like getting an A* in quantum algebra) and we were pretty gassed!

This is what our base year GHG inventory FY 22/23 looks like:

Base year FY 22/23	Emissions tCO ₂ e
Scope 1	3.67 (Natural gas supplying two boilers heating our head office)
Scope 2 (Market based method)	0.00 (Location based method 0.62)
Scope 3	2,659.91 (Scope 3 Categories: Purchased Goods and Service, Fuel and Energy Related Activities (not included in Scope 2), Waste Generated in Operations, Business Travel, Employee Commuting)
Total	2,663.58



Current Emissions Reporting

Our current period of emissions reporting is from 1st April 2023 to 31st March 2024 (FY 23/24) and is still active. As each month goes by, we calculate and internally report and review our tco2e emissions, as part of our monthly board meeting. There is as much due-diligence and scrutiny in our carbon reporting, as there is in our financial results, and understanding performance against carbon reduction targets is now embedded as part of our financial controls and governance.

Commitment To Net Zero

We are committed to achieving net zero, and we signed up to the Science Based Target initiative (SBTi) in June 2023, the month after our base year GHG inventory was independently verified. Our interim target is to reduce scope 1 & 2 emissions by 42% by 2030 from our FY 22/23 base year. Furthermore we have committed that by 2050 at the latest we will have reduced scope 1, 2 and 3 emissions by at least 90% from our base year.

Emissions Reduction Targets

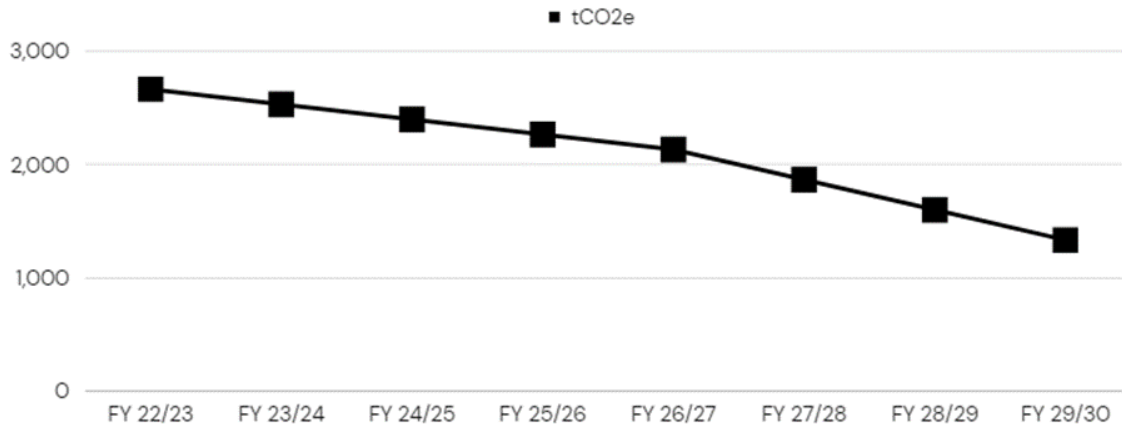
Our ambition has always been to go further and faster in achieving net zero, and we are proud to commit to try and halve all our scope 1, 2 and 3 emissions by 2030 from our base year and achieve net zero by 2040. This will not be an easy ask as we have very ambitious growth plans. As such our carbon reduction initiatives and targets may need some course corrections along the way. Better, not perfect is our mantra, and we will be following this daily on our net zero journey!

This is what our annual interim emission reduction targets now look like: (pan down for mad graph skills – we like the one with the big squares innit ...)





KID-A INTERIM EMISSION REDUCTION TARGETS



Carbon Reduction Initiatives

Our base year GHG inventory identified some “hotspots”, these being activities which significantly contribute to our overall carbon footprint. By implementing a range of initiatives, aligned to our reduction targets, and measuring performance against these throughout the year, we believe this will not only create behavioural change with our employees and suppliers, but will also help us make progress on delivering our emission reduction targets.





Initiative #1

Head Office Utilisation and Resource Efficiency (Scope 1 and 2)

- Head office sourced by 100% renewable energy.
- Install smart meters in our head office.
- Lobbying our landlord to install solar panels and suitable battery storage at HQ.
- Upgrade to energy-efficient lighting in our head office.
- Implement power management strategies in our head office, these include signs in the kitchen and bathrooms as a reminder to turn off lights and switching off all plugs at the wall, at the end of every day. #sweepthesheds
- Utilising Hive smart thermostats and setting optimised heating temperatures across different rooms in our head office.
- Build on our existing super flexible working policy.
- Utilise data from our head office secure entry system to set working days in the office around actual usage and then closing the office on days of regular low usage.
- Use a local milk delivery service and the local zero waste shop for all our head office groceries and cleaning products. This will reduce our recycled waste and we will be supporting local businesses.
- Install water saving products in our bathrooms to help reduce our water usage.

Initiative #2

Sustainable Travel and Commuting Policy (Scope 3)

- Behavioural and mindset change across the company on business travel. If there is no clear value or benefit arising from the proposed trip, then please don't make the trip at all. If in doubt, phone a friend (!) or your line manager for guidance!
- No fly travel policy; exceptions to the policy must be approved by the board.
- Promote business travel by train wherever possible.
- Diary alignment for carpooling for both commuting and business travel.
- Investigate leasing an electric pool car for business travel and installing an additional EV charger at our head office.





Initiative #3

Supplier (Brand Manufacturers) Engagement, Reporting and CO2 Reduction (Scope 3)

Our underlying principles on net zero are completeness, consistency, accuracy, transparency, and relevance. Adhering to these we wanted to try and understand our entire carbon footprint wherever there was available and accessible data. Therefore we decided to include all our Purchased Goods and Services within the boundary of our base year inventory. At the time, we were unable to obtain any supplier or product level emission data, so we had to rely on The Greenhouse Gas Protocol Scope 3 Evaluator Tool to calculate emissions from our supplier spend analysis. Although spend based emission reporting is the least accurate, it gave us the opportunity to include these emissions. It was a start, and by including them, we have identified that Scope 3 Category 1 Purchased Goods and Services account for most of our emissions in our base year.

Initiative #3 is by far the greatest opportunity to reduce our carbon emissions and to decarbonise the mobile accessories business in the UK. We believe that collaboration across the sector is the holy grail and we are optimistic that all parties involved will pull together on this crusade, to help stop the climate emergency in its track. We are calling on all our suppliers to join us and inspire others to take the urgent action detailed below. These are steps all of us within our sector need to take if we are going to make a positive contribution in halting the climate crisis.

- Commit, engage, educate, and take positive and immediate climate action. This includes sharing insights, knowledge, best practices, and lessons learnt.
- Build and develop your carbon reporting and help us move away from spend based emission reporting, for the goods and services we buy from you. Move towards more accurate supplier and product emission reporting, such as product Life Cycle Assessment (LCA).
- Work together, share, and align on carbon reduction plans, with the ultimate ambition to decarbonise the mobile accessories business in the UK.
- Join us in investing in reputable carbon removal projects such as responsible planting and protection of forests. These will help protect biodiversity, the climate, and also support local communities with sustainable development benefits like safe drinking water, improved healthcare, and the creation of local jobs.





Behavioural Change in Kid-A

Embedding positive action now, supporting and developing an innovative, collective growth mind set, will be key as we move forward on our net zero journey. Achieving our emission reduction targets, will be a team effort and we will need to act as a collective; as a group of humans. The targets won't be delivered by one person in Kid-A, but by all of us. Our Pale Blue Dot Objectives and Key Results (OKRs) embody this mindset, and they require all our employees to play their part in delivering our carbon reduction targets.

Partners and Friends

Facing into the climate emergency will require the ultimate team effort, and we will need everyone on the pitch, pulling together in the same direction if we are going to go one up in the series. We would like to take this opportunity to thank all our employees, partners, suppliers and customers who have supported us to date. We are already making many amazing new friends as a result of our net zero journey, and we are very much looking forward to working closely with you in the future.

Consider Again that Dot...

We are enjoying building our business and trying our best to be a truly progressive company, and be a genuine force for good, for our people and the planet. We will actively contribute to conversations that will influence policy and inspire others to take the urgent action that is required to address the climate emergency and save our beautiful planet. After all, there can be no music on a dead planet – and that is an empty prospect.

Big Love

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