

Carbon Reduction Plan

in accordance with PPN 06/21

Kailo Medical

Publication Date: Feb 26th 2025

Commitment to Achieving Net Zero

Kailo Medical is committed to achieving Net Zero emissions by 2050, or earlier for its UK operations, in alignment with the UK Government’s Climate Change Act 2008 (Amendment 2019). We recognize the importance of reducing carbon emissions across our operations and supply chain to contribute to global climate goals.

Kailo Medical is a small to medium-sized enterprise (SME) currently expanding into the UK market without any prior presence within the United Kingdom. As a result, historical emissions data for our UK operations is not available. This Carbon Reduction Action Plan represents a new initiative for the company, reflecting our commitment to transparent emissions reporting and continuous improvement in sustainability. Current Emissions and Baseline Footprint are based on estimates from the Global Company for 2024. Where sufficient data is not currently available, we will engage a third-party organization to assess and advise on our carbon reduction strategy in the future. We commit to have a third party conduct a formal Carbon Footprint assessment and generate a Carbon Reduction Plan within 12 months.

Current Emissions & Baseline Footprint

Scope 1 and 2 Emissions

Baseline emissions are a record of the greenhouse gases (GHGs) produced in the past and serve as a reference point for future reductions. As a software company, Kailo Medical’s primary emissions sources are related to energy consumption in offices and data centers, business travel, and supply chain activities.

Baseline Year: 2024

Total Emissions (tCO2e): 58.705

Scope	Emissions Source	Current Emissions (tCO2e)
Scope 1	Direct emissions	0
Scope 2	Indirect from purchased electricity	4.415
Scope 3	Other indirect (supply chain, business travel, employee commuting)	54.29

Scope 3 Emissions Breakdown

To align with the GHG Protocol, we have categorized Scope 3 emissions into five key areas:

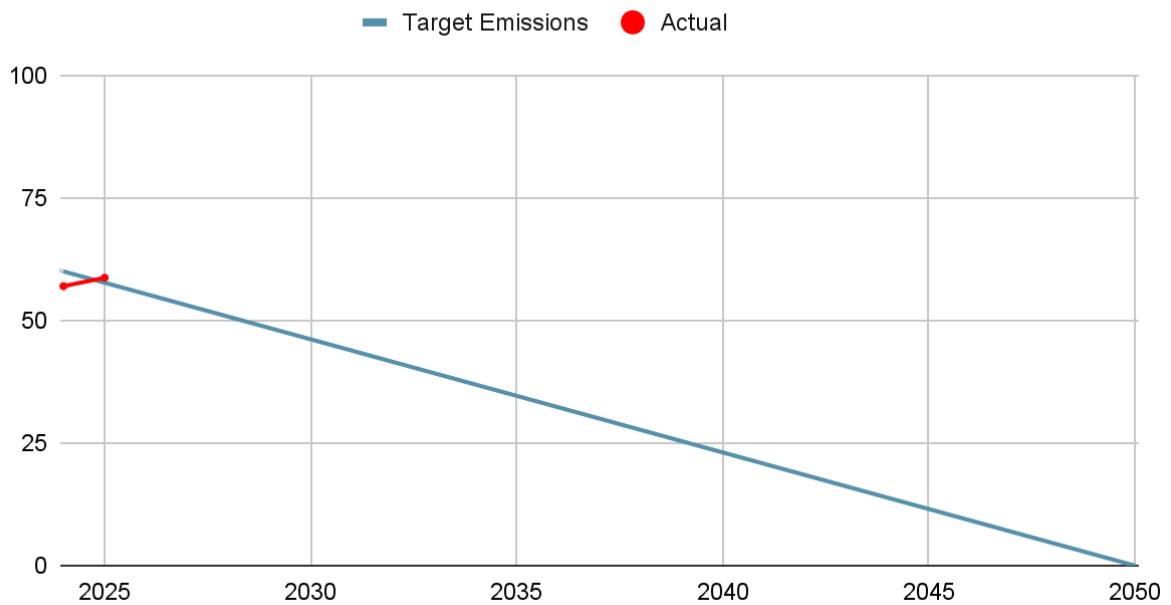
- **Upstream transportation and distribution:** Not applicable due to the nature of our business, however will be included in formal assessment within 12 months.
- **Waste generated in operations:** Not applicable due to the nature of our business, however will be included in formal assessment within 12 months.
- **Business travel:**
 - **Estimated Annual CO₂ Emissions Per Employee (Business Travel):**
 - Australia: 28.5 tCO₂e
 - Canada: 3.6 tCO₂e
 - New Zealand: 7.2 tCO₂e
 - USA: 5.4 tCO₂e
 - United Kingdom: 1.56 tCO₂e
 - Example flight emissions:
 - Melbourne to Chicago (one-way): 4.75 tCO₂e per passenger
 - Ottawa to Calgary (one-way): 0.6 tCO₂e per passenger
 - Ottawa to London (round trip): 0.78 tCO₂e per passenger
- **Employee commuting:** Estimated based on hybrid work models and transport use.
 - To better understand and reduce these emissions, we will formally assess work-from-home carbon consumption via a third-party service. This evaluation will provide insights into the environmental impact of our remote work practices, including reducing commuting-related emissions, which typically range from 0.835 to 1.44 tCO₂e per year based on commute distance and mode of transportation. We will also account for potential increases in home energy consumption as a result of remote work, ensuring that our approach to sustainability is both comprehensive and effective. By gathering this data, we aim to identify actionable steps that will further minimize our carbon footprint and support our ongoing commitment to environmental responsibility.
 - Below are the estimated average annual carbon dioxide equivalent (tCO₂e) emissions for commuting based on the frequency of commuting to head offices in Canada and Australia:
 - Canada (commuting once a week):
 - Commute Distance: 8.7 km one-way
 - Emission Factor: 0.2 kg CO₂e/km
 - Annual Emissions: 8.7 km x 2 (round trip) x 0.2 kg CO₂e/km x 48 days (commuting once a week) = 0.174 tCO₂e per year
 - Australia (commuting three times a week):
 - Commute Distance: 15 km one-way
 - Emission Factor: 0.2 kg CO₂e/km
 - Annual Emissions: 15 km x 2 (round trip) x 0.2 kg CO₂e/km x 144 days (commuting three times a week) = 1.728 tCO₂e per year
- **Downstream transportation and distribution:** Not applicable due to the nature of our business, however will be included in formal assessment within 12 months.

Emission Reduction Targets

To achieve Net Zero by 2050, Kailo Medical has set the following interim targets:

- Reduce Scope 1 and 2 emissions by 50% by 2030
- Reduce Scope 3 emissions by 30% by 2035
- Achieve 100% renewable electricity usage in all offices and data centers by 2027

Carbon Reduction: Projected vs. Actual



Carbon Reduction Initiatives

Kailo Medical has already taken steps to reduce our carbon footprint and will continue implementing the following initiatives:

Energy Efficiency & Renewable Energy

- Assessing the transition to 100% renewable energy suppliers for all office locations and data centers.
- Improving energy efficiency through server optimization and data center management.
- Implementing smart energy monitoring systems to track and reduce electricity usage.

Business Travel & Employee Commuting

- Encouraging virtual meetings to reduce the need for business travel.

Supply Chain Engagement

- Partnering with suppliers who demonstrate strong sustainability practices and low-carbon operations.
- Encouraging cloud service providers to use carbon-neutral or low-carbon infrastructure.
- Reducing packaging waste and adopting eco-friendly materials.

In the future, Kailo Medical hopes to implement further measurements such as:

- Introducing incentives for employees to use public transport, walk, or cycle.
- Assessing and implementing a carbon offset program for unavoidable flights.

Carbon Reduction Measurement and Reporting

- Kailo Medical will conduct an annual review of carbon emissions and publicly report on progress.
- A third-party verification process will be implemented to ensure transparency in our carbon reduction efforts.
- KPIs include total emissions reductions (tCO₂e), percentage of renewable energy usage, and business travel emissions per employee.

Future Third-Party Assessment

While we have calculated preliminary estimates for key Scope 3 emission areas, we acknowledge the need for more accurate data. Kailo Medical will engage an independent third-party carbon assessment firm to:

- Establish verified emissions reporting.
- Provide recommendations for further emissions reductions.
- Ensure compliance with UK Government procurement standards (PPN 06/21).

Governance and Responsibility

- The CRP is reviewed and approved by Kailo Medical's company directors.
- A dedicated sustainability officer will oversee the implementation of carbon reduction strategies.
- Employees will receive training on sustainable practices and energy-saving measures.

Declaration and Approval

This Carbon Reduction Plan has been completed in accordance with PPN 06/21 and associated guidance and reporting standards for Carbon Reduction Plans.

Emissions have been reported and recorded in accordance with the published reporting standard for Carbon Reduction Plans and the GHG Reporting Protocol corporate standard and uses the appropriate Government emission conversion factors for greenhouse gas company reporting.

Scope 1 and Scope 2 emissions have been reported in accordance with SECR requirements, and the required subset of Scope 3 emissions have been reported in accordance with the published reporting standard for Carbon Reduction Plans and the Corporate Value Chain (Scope 3) Standard.

This Carbon Reduction Plan has been reviewed and signed off by the board of directors (or equivalent management body).

Signed : Robert Newman

Robert Newman

Position : Director / Co-Founder

Date : 26 FEB 2025