

KDM Group Carbon Reduction Plan



Commitment to achieving Net Zero

KDM Group is committed to achieving Net Zero emissions by 2040.

Emissions Footprint

Emissions are a record of the greenhouse gases that have been produced in the past and were produced prior to the introduction of any strategies to reduce emissions.

Baseline emissions are the reference point against which emissions reduction can be measured.

Baseline Year Assessment: 1st June 2021 to 31st May 2022										
This Assessment: 1st June 2022 to 31st May 2023										
This is KDM Groups second year report on emissions.										
Emissions	Base Line Year	2nd Year	3rd Year	4th Year	5th Year	6th Year	7th Year	8th Year	9th Year	10th Year
Scope 1:	100	104								
Scope 2:	54	58								
Scope 3: (Included Sources)	708	570								
Total (tCO2e) Emissions:	862	732								

Emissions reduction targets

Committed to working towards Net Zero.

In line with the data & reduction methods noted within this plan KDM Group anticipates being Net Zero by Jan 2040.

Assessment carried out on behalf of KDM Group by Tunley Environmental

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Emission Data

Scope 1 makes up 6% of the total emissions, releasing 104 tCO₂e of direct emissions in the assessment year (Table 1).

The total Scope 2 emissions were 58 tCO₂e, making up 4% of the total emissions.

Remaining emissions were quantified at 78% of the total footprint, this was from indirect emissions categorised in Scope 3 at 570 tCO₂e. In total, the carbon footprint in the assessment year was calculated to be 732 tCO₂e.

The quantified emissions have decreased from the previous assessment year by 130 tCO₂e.

The majority of this decrease in emissions is within Scope 3 with a decrease of 138 tCO₂e.

In the baseline year 1,791 tonnes of materials were purchased, this decreased down to 732 tonnes in this assessment year (2022-2023). Therefore, the number of materials purchased is the direct cause for this decrease in measured emissions. Subsequently Tunley recommend implementing a carbon intensity ratio based on the tonnage of purchased.

goods in the assessment year. This provides an intensity ratio of 0.41 tCO₂e/tonne for this assessment year and 0.72 tCO₂e/tonne for the baseline assessment year.

Table 1 Summary of emissions in three scopes for 2022-2023 business carbon assessment compared to baseline carbon assessment in 2021-2022.

Scope	2022-2023 Emissions (tCO ₂ e)	Percentage	Baseline Emissions (tCO ₂ e)	Change in Emissions (tCO ₂ e)
Scope 1	104	14%	100	+4
Scope 2	58	8%	54	+4
Scope 3	570	78%	708	-138
Total	732		862	-130

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GHG Emissions Categories

Table 2 and Figure 2 provide the emissions for KDM from the 01 June 2022 and the 31 May 2023. The largest emissions category was purchased goods quantified at 371 tCO₂e. This is a good metric to compare annual emission to mitigate against changes in business operation between years. The second highest source of emissions was business travel at 168 tCO₂e.

Table 2 Emission data for KDM’s business operations from the 01 June 2022 and the 31 May 2023 broken down in categories outlined in The Greenhouse Gas Protocol.

Scope	Category	2022-2023 Emissions (tCO ₂ e)	Percentage	Baseline Emissions (tCO ₂ e)
S1.1	Stationary combustion	25	3.4%	25
S1.2	Mobile combustion	79	10.8%	75
S2.2	Purchased electricity	58	7.9%	54
S3.1	Purchased goods and services	371	50.7%	542
S3.5	Waste generated in operations	31	4.2%	125
S3.6	Business travel	168	22.9%	42
Total (tCO₂e)		732		862

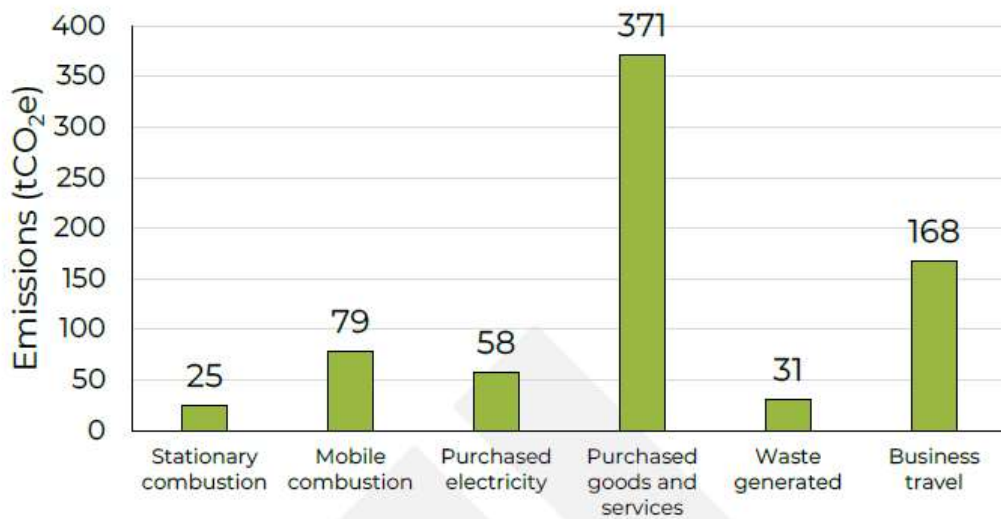


Figure 2 Graphical representation for the quantified emission categories (GHG Protocol) for KDM 2022-2023.

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Biogenic Carbon Storage in Harvested Wood Products

Following ISO14064-1 methodologies carbon stocks – carbon (C) stored in GHG reservoirs – are reported separately. This includes harvested wood products such as those produced by KDM. Therefore, the carbon sequestration of all purchased wood in the baseline period is quantified at 669 tCO₂e. The carbon sequestration from board products (MDF, Chipboard) and timber products is shown in Figure 3 with both FSC sourced and non-FSC sourced materials.

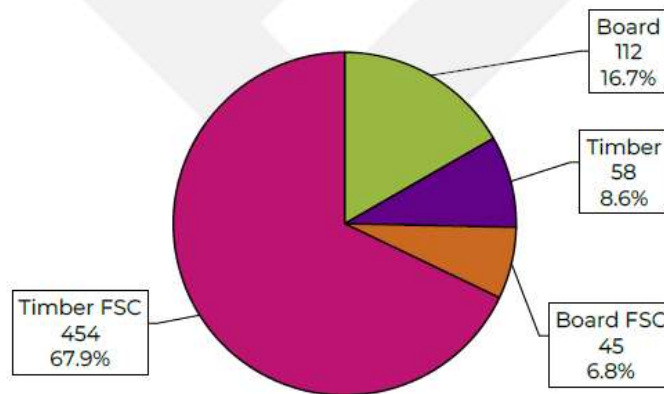


Figure 3 Carbon sequestration of harvested wood products in tonnes of carbon dioxide equivalents (tCO₂e).

Forest Stewardship Council (FSC) Wood Products

FSC are pioneers withing forest certification. Purchasing FSC certified products reduces the degradation, destruction, or alternation of woodlands. FSC claim that certified woodlands store at least 30% more carbon compared to other forests. There are four main values which are integrated with FSC certified woodlands covering not only environmental but also economic and social benefits:

1. Zero deforestation – no net loss of forest is ensured over time.
2. Environmental protection – biodiversity of forests are maintained, and high conversation areas are untouched.
3. Indigenous peoples rights respected – forest inhabitants are consulted and engaged to maintain their cultural rights.
4. Fair wage and work environment for workers – all forestry workers are given decent wages, as well as required training and safety equipment.

KDM have made significant efforts towards procuring more FSC certified wood products in recent years. This increased usage of FSC certified material is commendable and noteworthy not only from an environmental perspective.

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Strategic CO₂e Reduction Initiatives

KDM will implement a long-term approach on carbon reduction. GHG emissions can be reduced over 36% through implementing reduction strategies that focus on emission sources of significant contributions by 2035. Once the initiatives have been considered and taken, any unavoidable, remaining emissions can be removed by carbon off-setting actions (by 2040) (Figure 4). This section provides KDM with GHG reduction initiatives.

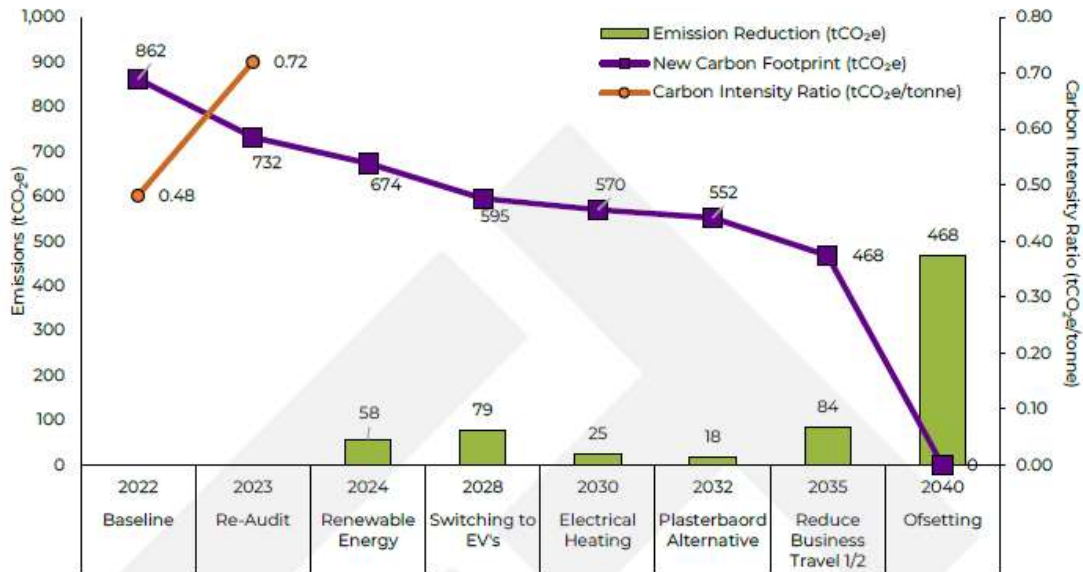


Figure 4 Roadmap to NZC for Scope 1, 2 & 3 emissions by 2040.

Using Renewable Electricity - 2024

KDM can switch to use renewable electricity by opting for an Ofgem-certified green electricity tariff (Renewable Energy Guarantees of Origin, REGO). The best way to choose a renewable electricity tariff is by using comparison websites and assessing the renewable origin guarantee information provided. At present, most electricity suppliers offer at least one 100% renewable electricity option. Implementing a green electricity tariff will reduce emissions by 58 tCO₂e per year.

Switching to EVs - 2028

Switching the company owned fleet to electric vehicles could reduce emissions by 79 tCO₂e per annum. This should be considered at the end of the useful life of vehicles as to mitigate the impact of embodied carbon.

Using Electric Heating - 2030

Once electricity has been supplied from renewable sources, switching to electric heating can significantly lower the emissions of the company by 25 tCO₂e per year. Strategies to incorporate this include heat pumps, electric combi-boilers, or far infrared heating panels.

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Sourcing Alternative Plasterboard Products - 2032

Moving forward alternative building materials with lower carbon emissions associated with their production are being produced. When reasonable for KDM they will be able to substitute its current products with these more sustainable alternatives. We predict that this replacement will reduce emissions by at least 18 tCO₂e annually if actioned upon.

Reducing Business Travel - 2035

Business travel contributed significantly to emissions in this measurement period. If in person meetings attended via business travel could be replaced in 50% of cases with Teams meetings, then a reduction in emissions of up to 84 tCO₂e could be achieved. This can be implemented through internal company policy changes and fed through to other businesses on their sustainability journeys.

Offsetting

Although the pinnacle objective of decarbonisation is to minimise emissions, the practicality of achieving this for every emission source may not always be plausible. In these instances, offsetting against the carbon emissions is necessary. Therefore, the remaining carbon emissions will have to be offset with bona fide suppliers. Consequently, Tunley recommends all offsets be purchased from OneTribe (<https://onetribeglobal.com/>). To offset against the emission for the whole period of 732 tCO₂e at a cost of £18/tCO₂e would cost a sum total of £25,002. If these reduction opportunities were undertaken the predicted remaining 1,459 tCO₂e could be offset at a cost of £20,250.

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Declaration and Sign Off

This Carbon Reduction Plan has been completed in accordance with PPN 06/21 and associated guidance and reporting standard 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 as detailed below.

Approval Sign Off	
Signature:	
Name:	Mark Jones
Role/Position:	Executive Director
Signed Date:	21/02/2024
Next Review Date:	20/02/2025