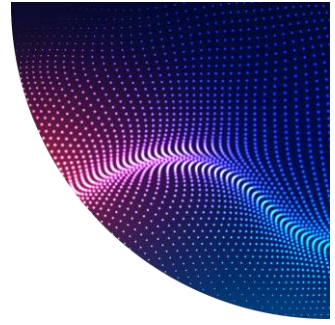


Carbon Reduction Plan

2025 - 2026



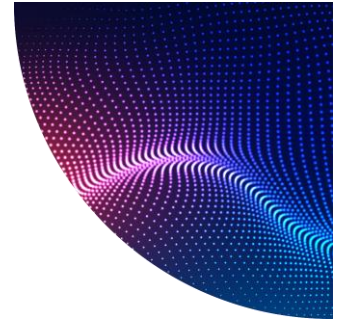
Commitment to achieving Net Zero

4ThoughtDigital is committed to achieving Net Zero emissions by 2045. This report covers the period April 25 to April 26.

Baseline Emissions Footprint

Baseline 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: 2024/25	
Additional Details relating to the Baseline Emissions calculations:	
<p>This is 4ThoughtsDigital's first baseline year and involves no Scope 1 or 2 emissions.</p> <p>As a growing SME, we anticipate that our total emissions may increase over the next few years due to planned team expansion and service delivery. However, this growth will be managed in line with our commitment to Net Zero. In order to continue accurately recording our emissions we will be utilising carbon intensity with total carbon emissions also recorded as emissions per employee.</p>	
Baseline year emissions: 2024/25	
EMISSIONS	TOTAL (tCO₂e)
Scope 1	0
Scope 2	0
Scope 3 (Included Sources)	17.7 Tonnes
Total Emissions	17.7 Tonnes
Total Emissions Per Employee (5)	3.54 Tonnes Per Employee



Current Emissions Reporting

Reporting Year: 2025/26	
EMISSIONS	TOTAL (tCO_{2e})
Scope 1	0
Scope 2	0
Scope 3 (Included Sources)	63.65 Tonnes
Total Emissions	63.65 Tonnes
Total Emissions Per Employee (19)	3.35 Tonnes Per Employee

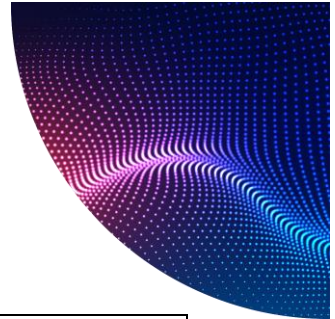
Scope 1 and Scope 2 Justification

4ThoughtDigital reports 0 tCO_{2e} for Scope 1 emissions as it does not own or operate company vehicles, premises, combustion plant, generators, or other fuel-burning equipment.

4ThoughtDigital reports 0 tCO_{2e} for Scope 2 emissions as it does not operate a fixed office or directly purchase electricity, heat, steam or cooling. Employees primarily work from home and use flexible workspaces on demand; associated emissions are considered within relevant Scope 3 categories where applicable.

Scope 3 Emissions Category Breakdown

Scope 3 Category	Emissions Total (tCO _{2e})	Justification
Category 4 - Upstream transportation and distribution	0	4ThoughtDigital is a professional services business and does not routinely purchase or receive physical goods requiring inbound logistics, freight, warehousing or distribution services.
Category 5 - Waste generated in operations	0	4ThoughtDigital does not operate a fixed office and has adopted a paperless-by-default operating model. Employees primarily work from home or client sites, meaning operational waste directly generated by the company is minimal.
Category 6 - Business travel	43.45	
Category 7 - Employee commuting	20.20	



Category 9 - Downstream transportation and distribution	0	4ThoughtDigital provides professional services and does not sell or distribute physical products. There are therefore no downstream transportation or distribution emissions associated with sold goods.
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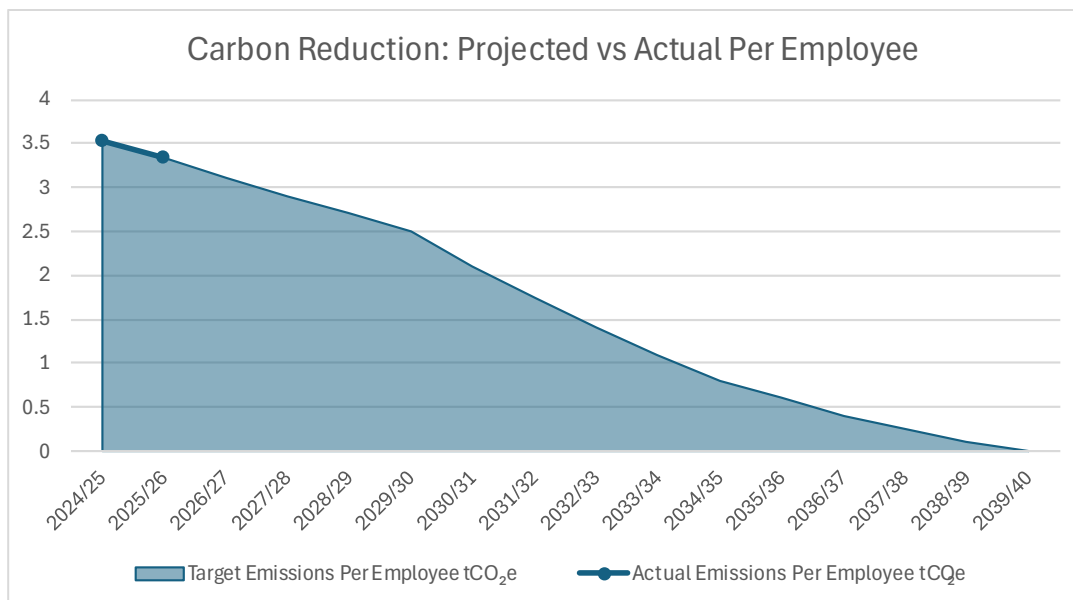
Emissions reduction targets

As a growing SME, we have seen our total emissions raise within our last reporting year as we have grown from 5 employees to 19. However, our total emissions per employee has dropped by 0.19 tonnes to 3.35 tCO₂e per employee. This demonstrates our continued commitment to achieving net zero by 2045 and is inline with our carbon reduction targets of which we aim to reduce emissions by 20% to 2.83 tCO₂e by 2028. Our commitment remains to reducing carbon intensity measured to relative headcount by embedding low-carbon practices that continue to scale with growth. Whilst we recognise absolute emissions have increased as a result of significant business growth, emissions intensity per employee has reduced.

In order to continue our progress to achieving Net Zero, we have re-committed to the following carbon reduction targets:

- We are committed to achieving Net Zero by 30th September 2045.
- As part of this commitment, we have adopted the following targets relative to our 2024/25 baseline of 3.54 Tonnes Per Employee tCO₂e (Scope 3 only):
 - By 2028 reduce emissions by 20% to 2.83 tCO₂e
 - By 2030 reduce emissions by 40% to 2.12 tCO₂e
 - By 2035 reduce emissions by 80% to 0.71 tCO₂e
 - By 2040 reduce emissions by 100% to achieve Net Zero

Progress against these targets can be seen in the graph below:



Carbon Reduction Projects

Completed Carbon Reduction Initiatives

Our 2024/25 baseline carbon footprint was 17.7 tCO₂e, comprising Scope 3 emissions. Since that baseline was established, the business has grown significantly, increasing from 5 employees to 19 employees. As a result, absolute emissions have increased to 63.35 tCO₂e; however, emissions per employee have reduced slightly to 3.35 tCO₂e, demonstrating improved carbon efficiency as the company has scaled.

Our emissions profile continues to reflect the benefit of core low-carbon operational practices that are embedded across the business. These include a hybrid working-first model, paperless-by-default processes, and a shared travel approach for site visits and client engagements where practical.

During the previous reporting period, alignment with ISO 14005 was identified as an ongoing initiative. This has now been embedded into our approach to environmental management, providing a structured and phased basis for monitoring environmental performance, identifying improvement opportunities, and supporting continual improvement as the business continues to grow.

While it is not possible to calculate a precise counterfactual footprint without these measures, we assess that they have materially reduced our emissions compared with a more traditional office-based operating model, particularly through avoided commuting, reduced business travel, lower office-related energy demand, and the elimination of routine printing.

The following environmental management measures and carbon reduction initiatives reflect both the practices in place during the 2024/25 baseline year and further improvements made during the 2025/26 reporting year, including the embedding of our ISO 14005-aligned environmental management approach. These measures will remain in effect during the delivery of contracts.

Shared Travel Policy - We have adopted a shared travel policy for client site visits, encouraging employees to coordinate travel using shared vehicles or public transport wherever feasible. This reduces the number of individual journeys made, helping to lower our overall travel-related emissions.

Hybrid Working - We have adopted a hybrid working-first strategy, with employees primarily based at home and travelling to client sites only when necessary. For internal collaboration, we utilise on-demand flexible workspaces rather than maintaining a fixed office. This approach significantly reduces emissions by minimising non-essential travel and eliminating the need to heat, cool, or power a permanent premises, ensuring all travel contributes positively to project outcomes.

Paperless-by-default - As part of our commitment to reducing environmental impact, we have adopted a paperless-by-default policy across all operations. Internal and external documentation is managed digitally through secure cloud platforms, minimising the need for physical printing. Where printing is unavoidable, we use recycled paper and energy-efficient devices. This approach not only reduces waste and emissions associated with paper production and disposal but also supports more efficient, collaborative working practices.

ISO 14005-Aligned Environmental Management Approach - We have embedded an environmental management approach aligned with ISO 14005, building on the ongoing

initiative identified in the previous reporting period. This provides a proportionate framework for monitoring environmental performance, identifying carbon reduction opportunities, and supporting continual improvement as the business grows.

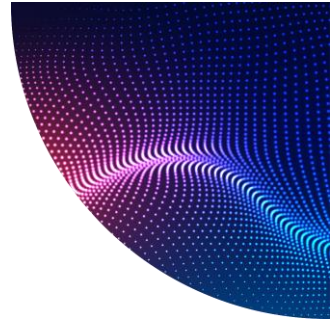
Ongoing Carbon Reduction Initiatives

In the future we hope to implement further measures such as:

Increasing Employee Awareness - We recognise that employee awareness is key to driving meaningful and sustained carbon reduction. As part of our ongoing approach, we will actively engage staff by sharing updates on our emissions performance and sustainability goals through quarterly internal communications. We will also provide practical guidance on reducing individual environmental impact, such as adopting low-carbon commuting options, reducing unnecessary travel, and following digital-first and paperless practices. By embedding environmental awareness into our company culture, we aim to empower all employees to contribute to our Net Zero journey both individually and collectively.

Sustainable Procurement - We are committed to reducing our indirect (Scope 3) emissions by working with and purchasing from environmentally conscious suppliers. As part of our procurement approach, we will seek to prioritise vendors and service providers who demonstrate clear sustainability credentials such as published carbon reduction plans, net zero targets, or environmental certifications. Over time, we aim to integrate sustainability considerations into our supplier selection and onboarding processes, helping to reduce the upstream environmental impact of our operations while encouraging positive change across our value chain.

Sustainable IT and Equipment Lifecycle Management - We will seek to reduce the environmental impact of our IT and digital operations by extending equipment lifecycles where appropriate, selecting energy-efficient devices, and ensuring responsible reuse, recycling or disposal of IT equipment. This will support reduced waste and help minimise emissions associated with purchased goods and services.



Declaration and Sign Off

This Carbon Reduction Plan has been completed in accordance with PPN 006 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 standard¹ and uses the appropriate Government emission conversion factors for greenhouse gas company reporting².

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) Standard³.

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

Signed on behalf of the Supplier:



.....Steven Martinez.....

.....Chief Operations Officer....

Date: ...19th of May 2026.....

¹ <https://ghgprotocol.org/corporate-standard>

² <https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting>

³ <https://ghgprotocol.org/standards/scope-3-standard>