

SCALE FACTORY ESG REPORT 2026

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CONTENTS

CONTENTS	2
INTRODUCTION	3
FROM OUR CEO, RICHARD FRODIN	4
FROM ALEX SMITH, CO-FOUNDER & PARTNER OF FUTUREPLUS	4
WORKING WITH THE SUSTAINABILITY GROUP	4
THE FUTUREPLUS SUSTAINABILITY FRAMEWORK	5
SCORING VS AMBITION	5
KEY ACHIEVEMENTS IN 2025	6
CLIMATE	6
DIVERSITY & INCLUSION	6
SOCIAL	6
ECONOMIC	7
ENVIRONMENT	7
UNITED NATIONS GLOBAL COMPACT	8
UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS	8
SCALE FACTORY IS POSITIVELY IMPACTING ALL 17 UN SDGS	8
KEY COMMITMENTS	9
CLIMATE	9
DIVERSITY & INCLUSION	9
SOCIAL	9
ECONOMIC	9
ENVIRONMENT	9
ACHIEVING THESE COMMITMENTS	10
CLIMATE	10
DIVERSITY & INCLUSION	11
SOCIAL	12
ECONOMIC	13
ENVIRONMENT	13
TIMELINE OF IMPROVEMENT	14
12 MONTHS	14
18 MONTHS	14



INTRODUCTION

Scale Factory has always been committed to changing the tech industry for the better. Although we do not operate in an industry that is known to be energy or emissions intensive, we acknowledge our responsibility to report on our energy consumption and carbon emissions.

Demonstrating this commitment tangibly is beneficial in many regards. Scale Factory staff, stakeholders, leadership team members and investors can have the confidence that they are part of a company making positive change in the world. Scale Factory's clients can also know that they are partnering with a company with a conscious commitment to positive societal change.

This report provides regular updates regarding our social and environmental performance to all company stakeholders and will be updated annually to show the progress Scale Factory makes towards its ESG goals with the view of making as much positive impact as possible.



FROM OUR CEO, RICHARD FRODIN

We recognise that it is the responsibility of every business to ensure its products and/or services consider the betterment of society and the planet alongside profitability and financial returns, and our Board and Leadership Team put this principle at the heart of our organisation's strategy and decision-making.

We are actively building a just and sustainable future through:

- Measurable environmental targets with clear accountability
- Social initiatives that create tangible community impact
- Governance practices that drive transparency and ethical decision-making

This report demonstrates our concrete progress against ambitious ESG goals, showcasing both our achievements and our roadmap for accelerated impact.

Every member of the Scale Factory family is not just committed to this journey. We are driving it forward through daily actions that align profit with purpose. Our sustainability ambition is not incremental; it is transformational. We measure success not only by financial returns but by the positive change we create for society and our planet.

FROM ALEX SMITH, CO-FOUNDER & PARTNER OF FUTUREPLUS

“At FuturePlus, we are very proud to have been working with Scale Factory (formerly Ten10) since November 2021. Scale Factory has made huge progress in improving their social and environmental impact using the FuturePlus platform to measure and manage their sustainability actions and ambitions.

Scale Factory's 'Actual Score' (a baseline measurement of a company's sustainability achievements) has increased from 204/500 in November 2021, to 373/500 in March 2025 - an incredible result, and a testament to the organisation's commitment to driving more sustainable business practices.

We look forward to continuing to work with the Scale Factory team as they meet and expand their sustainability ambitions.”

WORKING WITH THE SUSTAINABILITY GROUP

Scale Factory continues to work with The Sustainability Group using the FuturePlus framework to assess Scale Factory's impact and contributions in a variety of environmental, social and governance fields.

The Sustainability Group provides the support and guidance necessary to make measurable, effective change and aligning to the FuturePlus framework allows us to make firm commitments about our ESG goals and how we plan to achieve them.



THE FUTUREPLUS SUSTAINABILITY FRAMEWORK

We’ve assessed our current sustainability status based on FuturePlus’ framework. The framework separates the concept of sustainability into five areas:

- **Climate:** Energy consumption and carbon emission practices that are part of an organisation and its supply chain.
- **Diversity & Inclusion:** Fair treatment and equal representation of people from all backgrounds and identities.
- **Social:** Supporting the physical and mental wellbeing of people inside the organisation.
- **Economic:** Ethical and responsible financial practices inside an organisation.
- **Environment:** Waste reduction and use of sustainable and/or recycled materials.

SCORING VS AMBITION

AREA	OCTOBER 21	MARCH 25	AMBITION
Climate	5	53	56
Diversity & Inclusion	59	85	85
Social	68	83	84
Economic	65	83	84
Environment	7	69	73

All scores are out of 100 based on the FuturePlus framework.



KEY ACHIEVEMENTS IN 2025

We've assessed our current sustainability status based on FuturePlus' framework. The framework separates the concept of sustainability into five areas:

CLIMATE

We've measured emissions (Scopes 1, 2, and partial Scope 3), conducted annual climate risk assessments, implemented a climate change policy, and completed SECR (Streamlined Energy and Carbon Reporting).

DIVERSITY & INCLUSION

Achievements include supporting diversity in under-represented sectors, setting measurable goals, tracking women's retention after caregiver leave, and ensuring supply chain diversity. We are also advancing SDG 5 (Gender Equality) and SDG 10 (Reduced Inequalities).

SOCIAL

Highlights include a health and wellness program, assessing the social impact of employee travel, ethical risk assessments for new operations, employee training, and community initiatives like code clubs and STEM for young women.



ECONOMIC

Achievements include ethical risk due diligence for partners, screening investments for sustainability, maintaining a conflict of interest register, publishing Board membership, reviewing policies, providing skills training, implementing a grievance mechanism, and holding regular Board meetings.

ENVIRONMENT

We monitor indoor air quality, developed an environmental policy for sensitive ecosystems, implemented an e-waste strategy, and invested in environmental conservation.



UNITED NATIONS GLOBAL COMPACT

Scale Factory produced its first Communication of Progress for the UN Global Compact. We are proud to be members of the UN Global Compact Network UK, working with other organisations that share our commitment to accelerating sustainability efforts and scaling up impact.

The UN Global Compact is the world’s largest corporate sustainability initiative which mobilises sustainable companies and stakeholders to align their strategies and operations with universal principles on human rights, labour, environment and anti-corruption and to take actions that advance societal goals. They support companies to take strategic actions to advance broader societal goals, such as the UN Sustainable Development Goals, with an emphasis on collaboration and innovation.

Learn how you can join us on this journey: www.unglobalcompact.org.uk/how-to-join

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

The United Nations Sustainable Development Goals (sometimes referred to as Global Goals) are a collection of 17 interlinked global goals designed to be a “blueprint to achieve a better and more sustainable future for all”.

Scale Factory’s progress towards FuturePlus’ sustainability framework will naturally mean positively impacting the UN’s Sustainable Development Goals.

SCALE FACTORY IS POSITIVELY IMPACTING ALL 17 UN SDGS

1. No Poverty	2. Zero Hunger	3. Good Health & Well-Being	4. Quality Education
5. Gender Equality	6. Clean Water & Sanitation	7. Affordable 7 Clean Energy	8. Decent Work & Economic Growth
9. Industry Innovation & Infrastructure	10. Reduced Inequalities	11. Sustainable Cities 7 Communities	12. Responsible Consumption & Production
13. Climate Action	14. Life Below Water	15. Life on Land	16. Peace, Justice & Strong Institutions
17. Partnerships for the Goals			



KEY COMMITMENTS

CLIMATE

- Reduce our energy consumption and carbon emissions using our annual Climate Change Risk Assessment where we monitor, record and report on our energy use and emissions.
- Consider new projects and initiatives to offset our GHG emissions that cannot be reduced or eliminated (linking these to the United Nations SDG's).
- Continue our transition to energy-efficient processes.

DIVERSITY & INCLUSION

- Monitor our comprehensive succession plan to ensure we continue to consider diversity and inclusion in our employee development and monitoring programmes.
- Ensure, promote and support diversity and inclusion within our supply chain.
- Consider, promote and support economic inclusion when selecting suppliers (long-term).

SOCIAL

- Invest in making a positive change to the communities in which we produce and operate.
- Look at how the environmental practices of our suppliers can be monitored and reviewed.
- Continue to positively impact all 17 of the United Nations Sustainable Development Goals.

ECONOMIC

- Take into consideration needs-based affordability in our services.
- Source essential products and services as locally as possible, using ethical trading principles throughout our supply chain.
- Continue to review our processes to ensure all employees receive equal pay for equal work.

ENVIRONMENT

- Continue to train our employees on sustainability practices and principles which are relevant to Scale Factory as a business.
- Commit to reduce (remove) deforestation and forest degradation from our direct operations and supply chain and actively invest in environmental protection and conservation.
- Continue to ensure environmentally friendly chemicals are used for cleaning and all other purposes within Scale Factory and that they are disposed of properly.



ACHIEVING THESE COMMITMENTS

CLIMATE

Our offices have energy-efficient features including LED lighting and light sensors. A significant proportion of our workforce works from home and/or communal spaces. Education and incentivisation will continue to help remote employees improve their sustainability.

We have established an annual climate change risk assessment and will consider new means of offsetting GHG emissions that cannot be reduced or eliminated. However, whilst there is a huge range of offsetting projects we can get involved in, we need to remember that offsetting should be a last resort, reduction of energy and emissions should be the first goal.

Since 2022, we have reduced, removed or avoided 283 tonnes of CO₂, and collected 780 kg of plastic. This action supports worldwide environmental projects such as reforestation in India, wind energy in Brazil, renewable energy projects across Asia, and tree planting, both in the UK and internationally.



DIVERSITY & INCLUSION

We are proud of the role we play in enabling people from ethnic minorities to start their career in technology. We're committed to treating everyone the same, regardless of their ethnic background, gender, sexual orientation or religion. Our policies and procedures that promote diversity and inclusion are promoted on our Culture page. Our diversity and inclusion policies cover gender, race, disability, identity, neurodiversity, age, nationality, union affiliation, and religion.

We know we can always keep doing more. That's why we'll continue to promote equality and uphold a culture which actively respects, values and celebrates diversity. Not only because it's the right thing to do, but because we know that people of different backgrounds add value to the workplace and offer new insights into the way we operate and think.

We work in our communities and encourage young people to get involved with technology through code and STEM clubs for young women. We are also dedicated to promoting and empowering women in technology:

- 40% of our consultants are women and over 45% of our consultants are from ethnic minority backgrounds
- 32% of Scale Factory's wider leadership team is female
- Our Academy cohorts are around 48–50% women but have been as high as 62% – that is way ahead of the STEM industry average
- Our latest Academy cohort is a highly skilled and diverse group of individuals. 62.5% of our newest members are from non-STEM background careers where 15 of the members are male, 9 are female and 7 are from an ethnic minority background.

We positively promote career opportunities within under-represented groups and partner with independent bodies that connect other employers with education, public and private sector partners through workshops, events and other initiatives.

We know that fewer women, people from ethnic minority backgrounds and people from lower socio-economic backgrounds are statistically less likely to complete a STEM degree at university; therefore, Scale Factory does not dictate that a technology-related degree is required for joining their Academy programme.

Our three academy core principles are:

- **Social Mobility:** No one should have to take a loan or burn through savings in order to join Scale Factory and benefit from our training programmes
- **Academic Diversity:** No one should be limited from having a career in technology based on a decision they made regarding their education earlier in life



- **Investment and Integrity:** Everyone who successfully completes the core training should have a career in technology

SOCIAL

We ensure that all personnel are trained in all social policies and procedures and Scale Factory's values are published prominently on our site. We have an anti-corruption policy and an anti-harassment policy and provide transparent financial reporting in every territory in which we operate. The pension scheme we offer to our employees is screened for its ethical, environmental and social credentials.

Scale Factory engages with the communities in which we operate to mitigate and manage social risk.

We provide insurance cover for our internationally mobile workforce and we have a hybrid working policy (used by roughly a quarter of our workforce).

We ensure all employees have adequate access to quality healthcare.

Relevant training and professional development is made available for all employees.

All Academy training is available to the wider Scale Factory community, to enable all of our staff to take advantage of this quality education.

We're also proud to say we pay over the living wage rate.

We have a strong wellbeing culture and all Scale Factory staff have access to private healthcare, a gym and cycle to work allowance.

As part of the private healthcare benefit, there is access to free mental health counselling sessions as well as access to in-house mental health first aiders.

We hold regular company events – an annual company kickoff event and frequent employee committee and charity-led events such as the London Tough Mudder.

We also provide access to sexual and reproductive health services, domestic violence support, LGBTQIA+ and inclusive healthcare services and our sanitation facilities are appropriate for a diverse workforce.

Scale Factory staff regularly donate food items for local food banks in London and Leeds.

Our employees select a charity partner every year. In recent years we have supported CALM and Alzheimer's UK. Our current charity is British Red Cross. We run several fundraising events during the year, including quizzes, bake sales and company-supported events such as Tough Mudder, Snowdon at Night, and the London Thames Trek Walk.



ECONOMIC

Scale Factory has a comprehensive and publicly available code of ethics, available on the Values page of our website. Internally, we train Board members on our code of ethics and provide guidance and clear policies on anti-corruption and bribery to all employees.

We have an employee feedback system that is reviewed regularly by the Board of Directors.

Our highest level of governance holds full financial and fiduciary responsibility and the Board promotes effective, accountable, and transparent governance through regular and minuted meetings. We publish a complete and transparent annual report with an audited set of accounts.

We also have an anti-corruption and reporting system in place, including an anonymous whistleblowing policy. We have also implemented a formal public policy regarding data usage and privacy issues (e.g. GDPR) available on our Privacy Policy page.

We ensure that our customers, suppliers, and staff understand the legal, financial, and practical implications of any agreements entered into.

We ensure that we source essential services and products as locally as possible. When this is not possible we source our services and products using ethical trading principles.

We provide access to financial education for employees and ensure they have both fair working hours and rest periods.

ENVIRONMENT

We have a waste reduction strategy across all operational sites that includes recycling areas and signage at our offices. This includes an organisation-wide recovery and recycling programme for all materials that can be recycled. We will look to reduce and/or minimise water usage and non-food-waste generation.

Our external communications are designed to discourage negative and/or influence positive social and environmental behaviour.

Where appropriate, we will aim to ensure that vegetarian, vegan, low-carbon, culturally appropriate, and ethical food options are offered to our staff.

We have areas to improve in assessing the sustainability of products and services that we procure. We will measure, monitor, and review our water wastage wherever possible.

Whilst Scale Factory does not actively participate in the creation of hazardous substances, we can increase our participation in and commitment to environmental conservation.



TIMELINE OF IMPROVEMENT

12 MONTHS

CLIMATE	SOCIAL	ECONOMIC	ENVIRONMENT
Analyse, identify and reduce the climate and sustainability risks inherent in our supply chain	Amend supplier code of conduct to require key suppliers to measure GHG emissions, including making a commitment to Net Zero by 2050	Screen and monitor key suppliers for compliance with labour rights and standards as per ILO policies and guidelines	Undertake a Board-mandated materiality assessment
Set significant targets to reduce its energy consumption and carbon emission intensity	Set objectives to influence ethical decision-making in the value chain	Ensure ethical buying standards throughout its supply chain	Screen key suppliers for their positive environmental practices or negative environmental impact
Set significant targets to reduce its energy consumption and GHG emission intensity			Measure, review, and reduce the impact of transporting goods and products across the supply chain
			Measure and manage water usage

18 MONTHS

CLIMATE	ECONOMIC	ENVIRONMENT
Commit to Net Zero by 2050 in terms of carbon and greenhouse gas emissions, and have a measurable year-on-year emissions reduction plan	Provide a publicly available tax policy	Encourage and prioritise suppliers and partners who measure and aim to reduce air pollution as part of the procurement process
		Transparently communicate the output of all emissions and pollutants related to our activities