Carbon reporting

Carbon footprint assessment and reduction plan

FINANCIAL YEAR 2024/25

Contents

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 by SQW's Management Board.

Name: Joe Duggett

Role: Managing Partner, Performance and Projects

Signed: 

Date: 3/12/25

1. Summary

Commitment to net zero and being carbon neutral

1.1 **SQW is committed to being a net zero company by 2030**, which means we will reduce our emissions as far as is practical and offset the remaining emissions. This report sets out an assessment of carbon emissions for 2024/25 (April 2024 to March 2025) and the actions that we will implement going forward.

1.2 **SQW was carbon neutral for 2024/25** by offsetting our carbon emissions. With growth in the number of employees, our total emissions saw a modest increase from 2023/24 in aggregate terms. However, emissions per employee reduced slightly (from 1.20 to 1.18 tCO2e per employee), including owing to a move to a green tariff for electricity in a second office. SQW remains a relatively low emissions consultancy business.

Baseline and latest emissions

1.3 Table 1-1 and Table 1-2 summarise our carbon emissions for 2020/21 (baseline) and 2024/25 (latest) respectively. This shows **total emissions in 2024/25 of 63.4 tCO2e** (tonnes of carbon dioxide emissions) across SQW's operations, equating to 1.18 tCO2e per employee. This represents an increase on our baseline from 2020/21, which was a highly unusual year owing to the effects of COVID-19, and from 2023/2024 (62.0 tCO2e). We have paid to offset these emissions, and so **for 2024/25 we were carbon neutral**.

Table 1-1: Baseline SQW carbon emissions 2020/21 (i.e. April 2020 to March 2021)

Emissions categories and what is included		Emissions, tCO2e
Scope 1:		
• We lease our office space and have no control of heating. We have no company cars. Therefore, there are no emissions associated with Scope 1		0.0
Scope 2:		
• Purchase of electricity and heating for offices		8.3
Scope 3:		
Purchases, incl. the upstream transportation and distribution	2.8	27.1
Transmission/distribution losses from purchase of electricity	0.4	
Waste generated in operations	0.0*	
Business travel (incl. hotel stays)	0.1	
Employee commuting	0.1	
Homeworking	23.6	
Downstream transportation and distribution	0.0**	
Total for 2020/21		**35.3**
Intensity ratio: carbon emissions per FTE		**0.8**

*Source: SQW. Notes: *Very small levels of waste-related emissions mean that this is rounded to zero. **Given that we sell knowledge through consultancy services, rather than a physical product, there is no downstream transportation and distribution. Therefore, the emissions associated with this category of Scope 3 are zero. No. of FTEs uses the average across the year, which was 45.4.*

Table 1-2: Latest SQW carbon emissions 2024/25 (i.e. April 2024 to March 2025)

Emissions categories and what is included		Emissions, tCO2e
Scope 1:		
• We lease our office space and have no control of heating infrastructure. We have no company cars. Therefore, there are no emissions associated with Scope 1		0.0
Scope 2:		
• Purchase of electricity and heating for offices		15.7
Scope 3:		
Purchases, incl. the upstream transportation and distribution	9.5	47.7
Transmission/distribution losses from purchase of electricity	0.1	
Waste generated in operations	1.2	
Business travel (incl. hotel stays)	12.0	
Employee commuting	5.7	
Homeworking	19.1	
Downstream transportation and distribution	0.0*	
Total for 2024/25		**63.4**
Intensity ratio: carbon emissions per FTE		**1.18**

*Source: SQW. Notes: *Given that we sell knowledge through consultancy services, rather than a physical product, there is no downstream transportation and distribution. Therefore, the emissions associated with this category of Scope 3 are zero. No. of FTEs uses the average across the year, which was 53.6.*

Emissions reductions targets

1.4 In setting emissions reductions targets we are mindful of those areas where we have some degree of control and influence, and also where we have a clear current understanding of our emissions and options to reduce them.

1.5 At this stage we are not in a position to set targets for Scope 3 emissions in a sensible way. This reflects the uncertainty associated with Scope 3 emissions as working patterns and client expectations for in-person engagement and associated business travel continue to evolve, and on-going changes in technology requirements and applications (including the migration of our core systems into the Cloud). However, we propose to use this year's data (i.e. 2024/25) as a new baseline to represent a more accurate baseline for our emissions going forward.

1.6 The area where we can set emissions targets is in relation to Scope 2 emissions, the purchase of electricity and heating for our offices. One of our three offices (Manchester) uses renewable energy. In 2024/25 we also relocated to new premises for our London office, and selected a green tariff for electricity supply for this office. We will aim for all of our offices to use renewable energy by 2030 to reduce our Scope 2 emissions relative to the baseline level. We will seek to influence our landlords and/or consider energy sources in future office move/lease decisions – alongside other factors such as specific location, price, market availability etc.

2. Assessment

Scope 2: heating and powering our offices

2.1 SQW had three physical offices in 2024/25, in Edinburgh, Manchester and London. In London, we moved office premises mid-way through the year.. All offices used a mix of gas and electricity. We know from the landlord of our Manchester office that the electricity was from a 100% renewable energy tariff, and so the emissions from electricity usage are zero. We have also been able to select a 100% green tariff for electricity for our new office in London, so the emissions from electricity usage are zero for that part of the year (from June 2024 onwards). For Edinburgh, we have drawn on emissions conversion factors provided in Government guidance[1] for the average of electricity generation. Several employees were also based in the office of one of our sister divisions, in Oxford. However, emissions for the employees based in Oxford are attributable to our sister divisions and so are zero for the purposes of SQW's carbon reporting.

2.2 Table 2-1 summarises gas and electricity usage across the offices, together with the associated carbon emissions. This shows **total emissions of 15.7 kg CO2e**.

Table 2-1: Usage and emissions associated with electricity and gas for SQW offices 2024/25 (i.e. April 2024 to March 2025)

	Gas usage (kWh)	Elec usage (kWh)	Emissions from gas (kg CO2e)	Emissions from elec (kg CO2e)	Total emissions (kg CO2e)
Edinburgh	17,508	3,145	3,203	557	3,760
London	33,052	4,628	6,047	819	6,866
Manchester	27,599	9,784	5,049	0	5,049
Oxford	0	0	0	0	0
Total	**78,159**	**17,556**	**14,300**	**1,376**	**15,676**

Source: SQW analysis

Notes: Gas and electricity usage for Edinburgh and Manchester are estimated based on the costs due to us provided by property landlords. The London office usage is estimated based on breakdowns provided by the landlords that do not match to our own April-March reporting cycle. The Manchester office is on a 100% green tariff, and so emissions are zero. Oxford's emissions are excluded as the office is included within our sister divisions. Emissions are calculated based on usage and the emissions conversion factors provided in Government guidance (UK Government GHG Conversion Factors for Company Reporting, 2025) for natural gas (gross CV factor is 0.18 kgCO2e per kWh) and electricity generated (factor is 0.18 kgCO2e per KWh)

Scope 3

2.3 For Scope 3 we have identified the following sources of emissions as being the main ones associated with our operations and supplies:

[1] See: Greenhouse gas reporting: conversion factors 2025 - GOV.UK

- Purchases of ICT equipment & running of servers and other office purchases (including the upstream transportation and distribution)
- Transmission and distribution loss from the purchase of electricity for our offices
- Waste generated in operations
- Business travel, including hotel stays
- Employee commuting
- Homeworking (i.e. emissions associated with additional power and heating used by staff in the course of working from home).

2.4 Given that we sell knowledge through consultancy services, rather than a physical product, there is no downstream transportation and distribution. Therefore, the emissions associated with this category of Scope 3 are zero. Indeed, the transport/distribution component of consultancy is through business travel.

Purchases of ICT equipment & running of servers and other office purchases (including the upstream transportation and distribution)

2.5 The purchases of ICT equipment and the running of key hardware off site (i.e. our servers, which are based in specialist datacentres) are important sources of our carbon emissions.

2.6 We have four servers off site, and we share these with our sister divisions. Data from Dell indicates that the carbon emissions of the full lifecycle of these servers (including manufacture, transportation and distribution, operations and end of life) are 31,970 kg CO2e. Based on an assumed lifespan of four years and the fact that 30% of the emissions are attributable to SQW (with the remaining 70% attributable to our sister divisions), **we estimate a single year of emissions for these servers to be 2,398 kg CO2e.**

2.7 Our ICT purchases in 2024/25 were for 21 laptops, 21 monitors, and 30 other items (e.g. headsets, keyboards, webcams, docking stations). Based on the estimated weight of these items and conversion factors for the supply of ICT related equipment including transportation and distribution (24,865 kg CO2e per kg of ICT equipment[2]), **we estimate emissions for these ICT items to be 7,027 kg CO2e.**

2.8 Other office purchases principally related to stationery suppliers. In 2024/25, these were modest, including 20 packs of paper purchase, providing **estimated emissions for stationery supplies of 67 kg CO2e.**

2.9 **Therefore, the total emissions for purchases, including upstream transportation and distribution, are 9,492 kg CO2e.**

[2] See: Greenhouse gas reporting: conversion factors 2025 - GOV.UK

Transmission and distribution loss from electricity

2.10 In purchasing electricity to power our offices, there are losses in its transmission and distribution – i.e. more electricity needs to be generated than we actually use. These losses are associated with further emissions.

2.11 Based on the electricity usage of our Edinburgh and London office prior to the premises move (Manchester and the new London office are excluded given a green tariff), **we estimate the carbon emissions associated with these losses to be 144 kg CO2e** (0.02 kgCO2e multiplied by 7,773 kWh electricity purchased[3]).

Waste generated in operations

2.12 Based on assumptions related to recycling and waste in our offices, **we estimate emissions from office waste to be 1,229 kg CO2e[4]:** waste = 1,223 kg CO2e, and recycling = 6 kg CO2e.

Business travel

2.13 Table 2-2 shows the mileage by mode of travel and the associated carbon emissions. This shows total **carbon emissions associated with business travel at 10,415 kg CO2e**.

2.14 There were 154 hotel nights during the year. This provides **total carbon emission associated with hotel stays at 1,628 kg CO2e**.

Table 2-2: Carbon emissions associated with business travel

Mode	Distance (km)	kg CO2e per km	kg CO2e
Rail - national	99,567	0.035	5,682
Tram	21	0.029	1
Tube	348	0.028	16
Taxis	817	0.149	195
Own car	5,710	0.173	1,590
Bus	181	0.104	30
Flights - domestic	6,414	0.229	2,367
Flights - international	2,638	0.126	534
Total			**10,415**

Source: SQW analysis
Notes: The assumptions for emissions per mile have been derived from Government guidance (2025) using assumptions for different types of travel

[3] The calculation uses the appropriate Government emissions conversion factors
[4] The coefficients used below are from Government emissions conversion factors for general refuse and paper/cardboard recycling

Employee commuting

2.15 The level of office occupancy in 2024/25 was consistent with the previous year. Based on estimates of office attendance, means of transport for commuting, and commuting distance for a "normal" week for each office member, we have estimated total **carbon emissions associated with employee commuting travel at 5,692 kg CO2e**.

Table 2-3: Carbon emissions associated with commuting

	Distance (km)	kg CO2e per km	kg CO2e
Rail	73,225	0.035	2,597
Tube	13,679	0.028	380
Bus	4,828	0.104	501
Car	12,794	0.173	2,214
Total			5,692

Source; SQW analysis

Notes : The assumptions for emission per mile have been derived from Government guidance and conversion factors for GHG emissions from 2025

Homeworking

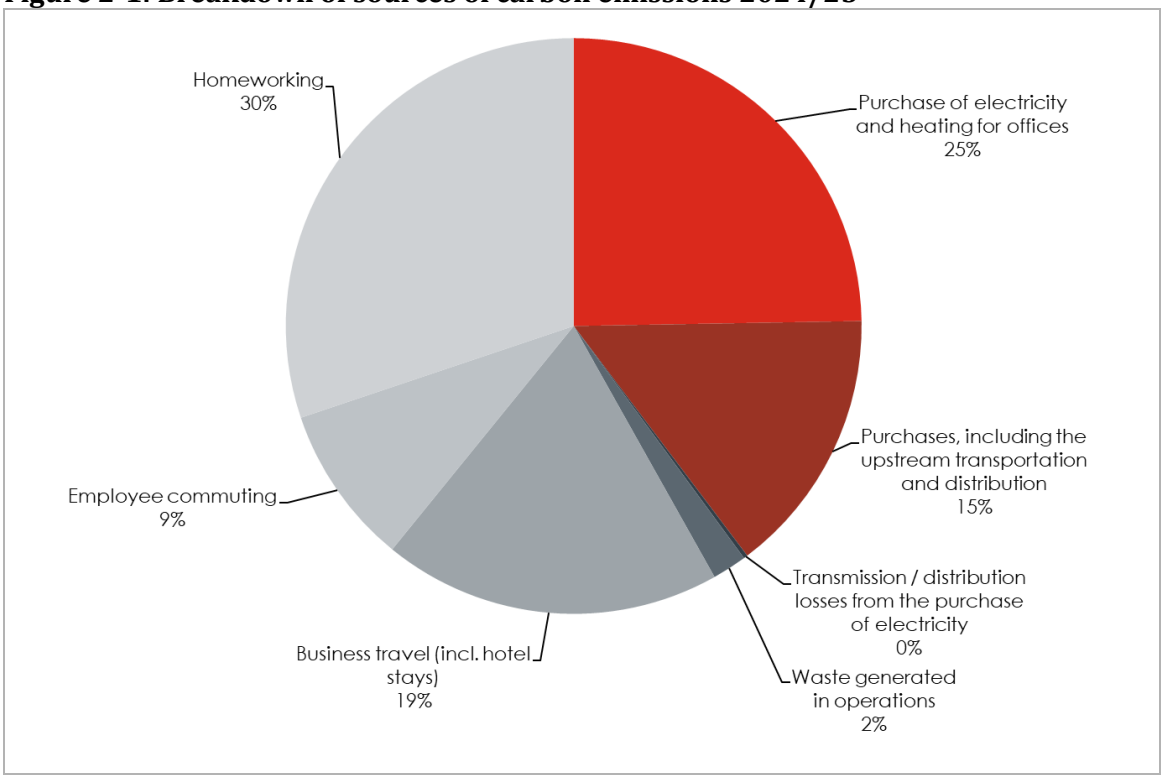
2.16 Homeworking remained common in 2024/25, with an estimated 60% of working days carried out at home. Based on the number of FTEs, working days and an assumption of eight hours per day, this results in approximately 57,289 working hours spent at home (53.6 FTEs for 223 working days * 60%).

2.17 Using Government guidance on the CO2e conversion factor for FTE working hour office and heating from home for 2025 (of 0.330 kg CO2e equivalent per hour), we have **estimated carbon emissions associated with homeworking of 19,122 kg CO2e.**

Breakdown of emissions sources

2.18 Figure 2-1 sets out the breakdown of carbon emissions by source. We expect that this breakdown may remain broadly similar in future years, although purchases may decrease, with an increase in purchases of IT equipment this year owing to office moves. Business travel emissions will also be influenced by client expectations for in-person engagement.

Figure 2-1: Breakdown of sources of carbon emissions 2024/25



Source: SQW analysis

3. Targets and actions

3.1 **SQW is committed to being a net zero company by 2030**. This commitment is highlighted explicitly in our five-year strategy "*Towards SQW 2028*", where advancing with purpose our commitment to Social Value, including Net Zero is identified as one of five 'Strategic Ambitions' which will frame our business activity and decision-making over 2023-2028.

3.2 We will continue to monitor our emissions closely. That said, if the emissions remain around the level seen in 2024/25 (or increase only modestly, for example owing to business travel), **we will continue to pay to offset our residual emissions in order to continue to be carbon neutral**. Achieving net zero, whereby we reduce our emissions as far as is practical, will need to take account of the following areas:

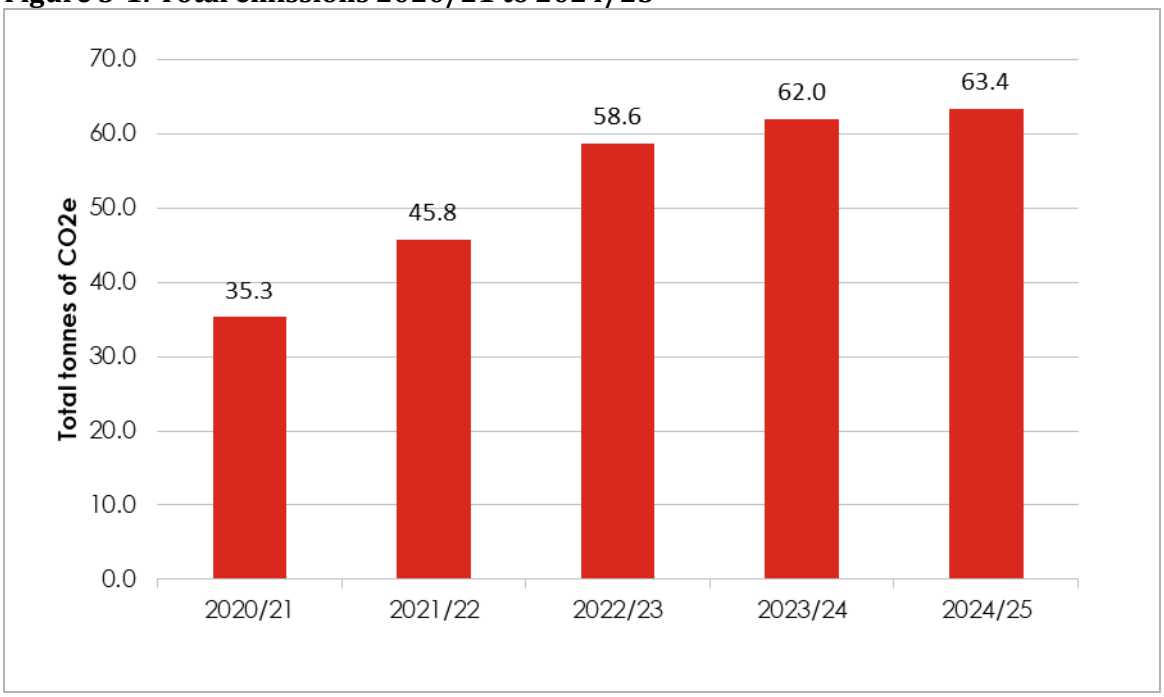
- reducing emissions associated with office heating and power
- determining where we can reduce emissions associated with our purchases and running of ICT equipment
- recognising our indirect emissions through business travel, employee commuting and homeworking.

3.3 In setting emissions reductions targets we are mindful of those areas where we have some degree of control and influence, and also where we have a clear current understanding of our emissions and options to reduce them.

3.4 At this stage we are not in a position to set targets for Scope 3 emissions in a sensible way. This reflects the uncertainty associated with Scope 3 emissions as working patterns and client expectations for in-person engagement and associated business travel continue to evolve, and on-going changes in technology requirements and applications.

3.5 However, we propose to use this year's data (i.e. 2024/25) as a new baseline to represent a more accurate baseline for our emissions going forward. As shown in Figure 3-1, total emissions have stabilised over the past three years, with emissions for 2024/25, just 2% higher than 2023/24, owing principally to purchases of technology associated with employee growth and office relocation. Data for 2024/25 will be used as the baseline position to 2030. This will provide a more meaningful baseline position than 2021/21, which was a highly unusual year owing to the effects of COVID-19.

Figure 3-1: Total emissions 2020/21 to 2024/25



Source: SQW

3.6 The area where we can set emissions targets is in relation to Scope 2 emissions, the purchase of electricity and heating for our offices. One of our three offices (Manchester) uses renewable energy. In 2024/25 we also relocated to new premises for our London office, and selected a green tariff for electricity supply for this office. We will aim for all of our offices to use renewable energy by 2030 to reduce our Scope 2 emissions relative to the baseline level. We will seek to influence our landlords and/or consider energy sources in future office move/lease decisions – alongside other factors such as specific location, price, market availability etc.

Key actions

3.7 The priority actions for us for the coming period are to:

- where practical and in line with business needs embed low emissions that have been achieved through the on-going use of online meetings
- build environmental impacts into office infrastructure decisions and discussions (including with landlords related to new or extended leases), in particular in relation to energy tariffs (with the ultimate objective that all our offices use renewable energy by 2030), and heating/lighting facilities
- discuss considerations of environmental impacts and potential improvements with landlords of our offices (e.g. as part of regular periodic reviews/meetings), particularly in relation to energy tariffs, heating/lighting, recycling and waste facilities, and provision for active travel.

- complete the migration of our core systems into the Cloud, which will have implications for our use of our central servers and ICT equipment and associated carbon emissions
- roll-out Environmental Awareness Training to all staff as part of our commitment to Net Zero.

Ongoing actions

3.8 SQW has an Environment Policy, and this includes a series of ongoing actions that we take to minimise our impact on the environment. These are summarised as follows:

Minimise energy use and carbon impact

3.9 Within the practical constraints that our offices are in multi-tenant buildings managed by external parties, we will:

- use low power consumption electrical devices wherever feasible
- encourage all staff to take responsibility for switching off lighting, computers, screens and other electrical equipment when not in use
- ensure that all light bulbs that need replacing are replaced with energy-efficient bulbs wherever feasible so to do.

Commuting

3.10 The company is committed to reducing air pollution and energy use by minimising the need for car usage by its staff in commuting. We will:

- continue to use office locations that are very well served by public transport
- offer interest-free rail travel season ticket loans to all permanent employees
- encourage cycling to work where possible, through participation in a Cycle to Work scheme.
- allow members of staff to work from home, where this meets the firm's and individuals' needs, under our flexible working policy
- offer a 100% electric vehicle salary sacrifice scheme as part of our flexile benefits package.

Travel for project and corporate reasons

3.11 In relation to travel and meetings, for both clients and internally, we will:

- encourage clients to use online meetings rather than in-person meetings where appropriate, recognising that at times in-person meetings will be required
- encourage staff to walk, cycle or use public transport as far as practical when travel is required on a project (as opposed to travelling by car or aeroplane)
- pay a mileage allowance for business travel on bicycles (except commuting) and an enhanced car mileage allowance where two or more employees travel in a car on business (except commuting).

Reduce material waste and maximise recycling

3.12 We procure a range of goods and services for use in our business activities, particularly stationery and printing consumables. We will:

- encourage staff to recycle paper and cardboard waste through provision of recycling bins
- recycle 100% of our printer and photocopying toner cartridges
- ensure that all redundant furniture is re-used or recycled where possible, by selling it on, giving it away, or recycling it
- ensure that redundant ICT equipment has any data securely wiped, and is re-used where possible within the wider SQW Group, or otherwise disposed of in accordance with the Waste Electrical and Electronic Equipment Directive
- minimise use of paper by encouraging staff to move towards predominantly electronic file storage and use
- where paper is used, minimise printing requirements by encouraging double-sided and two-pages-per-sheet printing where appropriate, and the use of versions of our standard reporting templates with blank front/back covers, and continuing to move towards predominantly electronic file storage
- avoid using single use plastics as part of office supplies as far as possible (e.g. plastic drinks bottles; individually wrapped food products; and plastic straws and cutlery) by identifying these and making specific requests to suppliers or seeking alternative suppliers where this is practical
- aim to recycle a wider range of waste products from office life each year, as far as is practical (e.g. cans, plastic bottles, etc.) through local refuse collections.

SQW

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