

Carbon reporting

Carbon footprint assessment and reduction plan

FINANCIAL YEAR 2025/26

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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 using 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: 30 September 2026

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 2025/26 (April 2025 to March 2026) and the actions that we will implement going forward.
- 1.2 SQW was carbon neutral for 2025/26** by offsetting our carbon emissions. Our total emissions reduced from 2024/25 in aggregate terms. Emissions per employee also reduced. 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 2024/25 (baseline) and 2025/26 (latest) respectively. This shows **total emissions in 2025/26 of 43.4 tCO₂e** (tonnes of carbon dioxide emissions) across SQW's operations, equating to 0.89 tCO₂e per FTE. This represents a material reduction on our baseline of 2024/25, both in total and on a per employee basis. We have paid to offset these emissions, and so **for 2025/26 we were carbon neutral**.

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

Emissions categories and what is included		Emissions, tCO ₂ e
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		15.7
Scope 3:		
Purchases, incl. the upstream transportation and distribution	9.5	47.6
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		63.3
Intensity ratio: carbon emissions per FTE		1.18

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 53.6

Table 1-2: Latest SQW carbon emissions 2025/26 (i.e. April 2025 to March 2026)

Emissions categories and what is included		Emissions, tCO ₂ e
Scope 1:		0.0
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		
Scope 2:		9.5
Purchase of electricity and heating for offices		
Scope 3:		33.9
Purchases, incl. the upstream transportation and distribution	2.7	
Transmission/distribution losses from purchase of electricity	0.1	
Waste generated in operations	1.1	
Business travel (incl. hotel stays)	8.2	
Employee commuting	4.7	
Homeworking	17.0	
Downstream transportation and distribution	0.0*	
Total		43.4
Intensity ratio: carbon emissions per FTE		0.89

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 49.0

Emissions reduction targets

- 1.4** In setting emissions reduction 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).
- 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. 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 2025/26, in Edinburgh, Manchester and London. 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 direct to our office in London, so the emissions from this electricity usage are zero. Emissions are evident from our share of electricity to shared areas in the building in London. For this, and for our Edinburgh office, we have drawn on emissions conversion factors provided in Government guidance¹ 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.

Table 2-1: Usage and emissions associated with electricity and gas for SQW offices 2025/26

	Gas usage (kWh)	Elec usage (kWh)	Emissions from gas (kg CO2e)	Emissions from elec (kg CO2e)	Total emissions (kg CO2e)
Edinburgh	13,531	3,514	2,467	460	2,927
London	14,844	2,743	2,706	359	3,065
Manchester	19,513	13,116	3,557	-	3,557
Oxford	0	-	-	-	-
Total	47,888	19,373	8,730	819	9,550

Source: SQW analysis

¹ See: [Greenhouse gas reporting: conversion factors 2026 - GOV.UK](https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2026). We note that a revised methodology has been introduced for calculating UK electricity emissions and the resulting conversion factors. The previous approach derived an emissions factor by dividing total electricity-related emissions from the UK Greenhouse Gas Inventory (GHGI) by total electricity generation. Because this depended on the GHGI publication cycle, it resulted in a two-year lag between the reporting year and the publication of the conversion factor. This became increasingly problematic given the rapid decarbonisation of the UK electricity mix, as the published factor did not accurately reflect the grid's carbon intensity in the year of publication. The updated methodology uses more current data on the electricity generation mix, reducing the lag to one year and providing a more representative emissions factor. Because of the change, there is a material decrease in the electricity conversion factor in the 2026 publication (0.13 kg CO2e) compared to 2025 (0.18 kg CO2e).

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:

- 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 Estimates of carbon impact for these sources have been estimated using relevant conversion factors provided in Government guidance².

2.5 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)

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

2.7 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**.

2.8 Our ICT purchases in 2025/26 were limited. Purchases included several small items (e.g. headsets, keyboards, video conferencing kit). Based on the estimated weight of these items and conversion factors for the supply of ICT related equipment including transportation and distribution, **we estimate emissions for these ICT items to be 149 kg CO₂e**.

² See: [Greenhouse gas reporting: conversion factors 2026 - GOV.UK](https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2026)

2.9 Other office purchases principally related to stationery supplies. In 2025/26, these were modest, including 31 packs of paper purchased, providing **estimated emissions for stationery supplies of 104 kg CO₂e**.

2.10 Therefore, the total emissions for purchases, including upstream transportation and distribution, are 2,651 kg CO₂e.

Transmission and distribution loss from electricity

2.11 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.

2.12 Based on the electricity usage of our Edinburgh office and from our share of electricity usage in shared areas in London (Manchester and the direct electricity for London are excluded given a green tariff), **we estimate the carbon emissions associated with these losses to be 81 kg CO₂e**.

Waste generated in operations

2.13 Based on assumptions related to recycling and waste in our offices, **we estimate emissions from office waste to be 1,127 kg CO₂e³**: waste = 1,123 kg CO₂e, and recycling = 4 kg CO₂e.

Business travel

2.14 Table 2-2 shows the mileage by mode of travel and the associated carbon emissions.

Table 2-2: Carbon emissions associated with business travel 2025/26

Mode	Distance (km)	kg CO ₂ e
Rail - national	85,000	2,628
Tram	8	0
Tube	174	3
Taxis	638	95
Own car	13,319	1,668
Bus	318	32
Flights - domestic	9,484	2,174
Flights - international	2,493	313
Total	111,432	6,914

Source: SQW analysis

³ The coefficients used are from Government emissions conversion factors for general refuse and paper/cardboard recycling.

- 2.15** There were 117 hotel nights during the year. This provides total **carbon emissions associated with hotel stays of 1,335 kg CO₂e**.

Employee commuting

- 2.16** The level of office occupancy in 2025/26 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**.

Table 2-3: Carbon emissions associated with commuting 2025/26

	Distance (km)	kg CO ₂ e
Rail	66,917	2,069
Tube	12,501	194
Bus	4,412	448
Car	11,692	2,019
Total	95,522	4,729

Source: SQW analysis

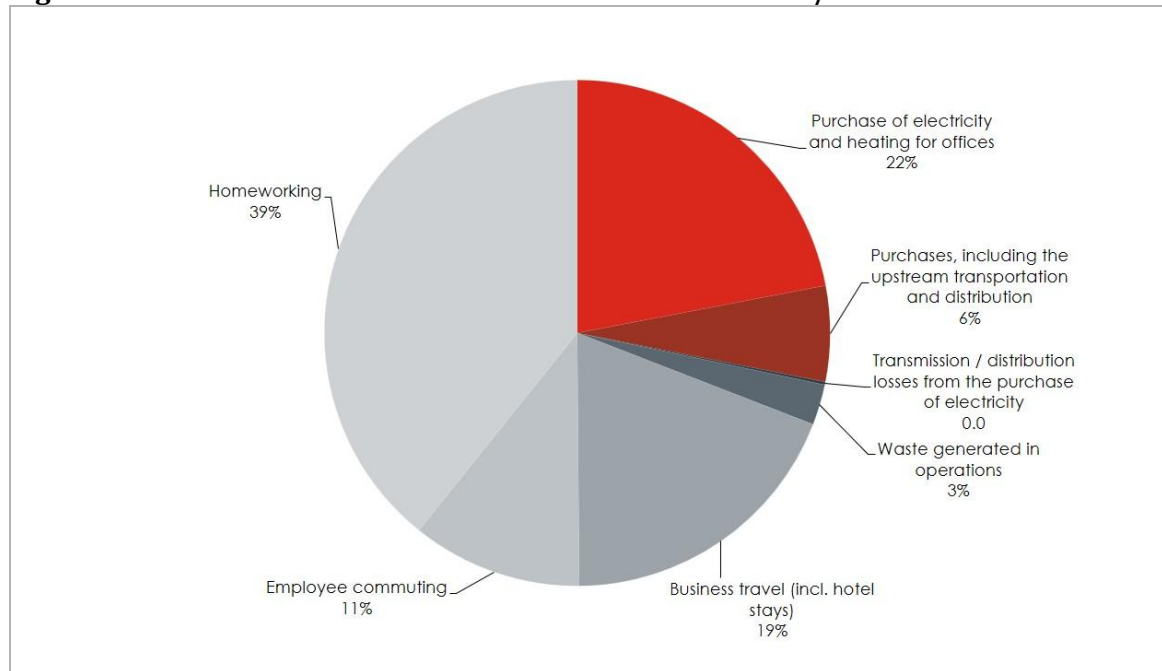
Homeworking

- 2.17** Homeworking remained common in 2025/26, 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 52,585 working hours spent at home (49.0 FTEs for 224 working days * 60%).
- 2.18** Using Government guidance on the CO₂e conversion factor (of 0.32 kg CO₂e equivalent per hour of home working), we have **estimated carbon emissions associated with homeworking of 17,034 kg CO₂e**.

Breakdown of emissions sources

- 2.19** Figure 2-1 sets out the breakdown of carbon emissions by source.

Figure 2-1: Breakdown of sources of carbon emissions 2025/26



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 2025/26, **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 reduction 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** The area where we can set emissions targets is in relation to Scope 2 emissions, the purchase of electricity and heating for our offices. 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

- 3.6** 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.

3.7 We recognise that AI can have a potentially transformative impact on our business. We are, therefore, committed to leveraging AI technologies to enhance our consultancy services and adopt a Copilot first approach for the use of general-purpose AI tools, meaning AI features are delivered through Microsoft 365 Copilot. We also recognise the potential environmental implications of AI. We will therefore investigate how proportionate and robust estimates of the carbon emissions associated with our use of Microsoft 365 Copilot can be integrated into our carbon assessment for 2026/27 onwards.

On-going actions

3.8 SQW has an Environment Policy, and this includes a series of on-going 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 flexible 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.



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