

Carbon reporting

Carbon footprint assessment and reduction plan

Financial Year 2023/24

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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 by SQW’s Management Board.

Name: Joe Duggett
Role: Managing Partner, Performance and Projects

Signed: 

Date: 30 October 2024

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 2023/24 (April 2023 to March 2024) and the actions that we will implement going forward.
- 1.2 SQW was carbon neutral for 2023/24** by offsetting our carbon emissions. With a higher level of business travel required to meet client requirements (as considered likely in our previous report), our total emissions saw a modest increase from 2022/23 in aggregate terms. However, emissions per employee remained consistent with the previous year. 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 2023/24 (latest) respectively. This shows **total emissions in 2023/24 of 62.0 tCO₂e** (tonnes of carbon dioxide emissions) across SQW's operations, equating to 1.20 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 2022/23 (58.6 tCO₂e). We have paid to offset these emissions, and so **for 2023/24 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, tCO ₂ e
Scope 1:	
<ul style="list-style-type: none"> 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:	
<ul style="list-style-type: none"> Purchase of electricity and heating for offices 	8.3
Scope 3:	
Purchases, incl. the upstream transportation and distribution	2.8
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 2023/24 (i.e. April 2023 to March 2024)

Emissions categories and what is included		Emissions, tCO ₂ e
Scope 1:		
<ul style="list-style-type: none"> 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:		
<ul style="list-style-type: none"> Purchase of electricity and heating for offices 		15.2
Scope 3:		
Purchases, incl. the upstream transportation and distribution	5.6	46.8
Transmission/distribution losses from purchase of electricity	0.6	
Waste generated in operations	1.0	
Business travel (incl. hotel stays)	14.0	
Employee commuting	5.7	
Homeworking	19.8	
Downstream transportation and distribution	0.0*	
Total for 2023/24		62.0
Intensity ratio: carbon emissions per FTE		1.2

*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 51.1.*

Emissions reductions targets

- 1.4** In setting emissions reductions targets we have been 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. Targets also require a 'steady state' baseline position to be meaningful.
- 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.
- 1.6** Total emissions from business travel increased by around two-thirds between 2022/23 and 2023/24, which reflected a significant increase in business travel in response to client requirements for in-person engagement (e.g. for client meetings, presentations, completion of primary research etc.). Therefore, while accurate, the increase between the baseline and 2022/23 and latest data for 2023/24 does not represent a material change in SQW's underlying emissions.
- 1.7** With client requirements for in-person engagement continuing to evolve, we anticipate that emissions from business travel are likely to be broadly consistent or potentially slightly higher in 2024/25. However, if our total emissions remain similar in 2024/25 (+/- 5% in terms of total emissions from the level in 2023/24), we will use 2024/25 (i.e. next years' data) as a new baseline position, to represent a more accurate baseline for our emissions.

- 1.8** We will also consider the viability of developing emissions reductions targets for Scope 3 emissions from this new baseline, consistent with our ambition to being a net zero company by 2030, and in a way that reflects our wider business objectives and priorities, including our commitments to meeting client needs, the well-being of our staff, and providing a positive and progressive approach to flexible and hybrid working.
- 1.9** 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, and last year we agreed a new year lease on this office. We have also recently moved our London office, and now have the flexibility to select the energy tariff. We will aim for all of our offices to use renewable energy by 2030, with the result that our Scope 1 and 2 emissions are zero by 2030. This will be achieved through seeking to influence our landlords and/or considering 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 2023/24, in Edinburgh, London and Manchester. Several employees were also based in the office of one of our sister divisions, in Oxford. The Edinburgh and Manchester offices had a mix of gas and electricity, and the London office had only electricity. We know from our 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 been unable to ascertain from landlords in Edinburgh and London the electricity tariffs, and so we have drawn on emissions conversion factors provided in Government guidance¹ for the average of electricity generation. 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 15.2 kg CO₂e**.

Table 2-1: Usage and emissions associated with electricity and gas for SQW offices 2023/24 (i.e. April 2023 to March 2024)

	Gas usage (kWh)	Elec usage (kWh)	Emissions from gas (kg CO ₂ e)	Emissions from elec (kg CO ₂ e)	Total emissions (kg CO ₂ e)
Edinburgh	20,063	3,365	3,670	697	4,366
London	0	27,894	-	5,776	5,776
Manchester	27,722	9,828	5,070	-	5,070
Oxford	0	-	-	-	-
Total	47,785	41,087	8,740	6,472	15,212

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, 2024) for natural gas (gross CV factor is 0.18 kgCO₂e per kWh) and electricity generated (factor is 0.21 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:
- Purchases of ICT equipment & running of servers and other office purchases (including the upstream transportation and distribution)

¹ See [Greenhouse gas reporting: conversion factors 2024 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2024)

- 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 2023/24 were for 18 laptops, 33 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 (24.865kg CO₂e per kg of ICT equipment²), **we estimate emissions for these ICT items to be 5,583 kg CO₂e.**

2.8 Other office purchases principally related to stationery suppliers. In 2023/24, these were modest, including 7 packs of paper purchase, providing **estimated emissions for stationery supplies of 23 kg CO₂e.**

2.9 **Therefore, the total emissions for purchases, including upstream transportation and distribution, are 5,606 kg CO₂e.**

² Government emissions conversion factors indicate 24,865 kg CO₂e per tonne of ICT equipment.

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 offices (Manchester is excluded given a 100% renewable tariff), **we estimate the carbon emissions associated with these losses to be 572 kg CO₂e** (0.02 kgCO₂e multiplied by 31,259 kWh electricity purchased³).

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 1,031 kg CO₂e⁴**: waste = 1,025 kg CO₂e, and recycling = 6 kg CO₂e.

Business travel

- 2.13** In 2023/24 levels of business travel increased compared to the previous year. As a result, the associated carbon emissions were substantially higher. 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 12,157 kg CO₂e** (compared to 7,683 kg CO₂e in 2022/23).
- 2.14** There were 178 hotel nights during the year. This provides **total carbon emission associated with hotel stays at 1,865 kg CO₂e** (compared to 706 kg CO₂e in 2022/23).

Table 2-2: Carbon emissions associated with business travel

Mode	Distance (km)	kg CO ₂ e per km	kg CO ₂ e
Rail - national	177,503	0.035	6,294
Tram	38	0.029	1
Tube	206	0.028	6
Taxis	1,713	0.149	255
Own car	8,066	0.170	1,370
Bus	236	0.108	26
Flights - domestic	9,862	0.273	2,688
Flights - international	8,298	0.183	1,517
Total			12,157

Source: SQW analysis
Notes: The assumptions for emissions per mile have been derived from Government guidance (2024) using assumptions for different types of travel

³ The calculation uses the appropriate Government emissions conversion factors (2024)

⁴ The coefficients used below are from Government emissions conversion factors (2024) for general refuse and paper/cardboard recycling

Employee commuting

2.15 There was a modest level of office occupancy in 2023/24, broadly 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 5,673kg CO₂e.**

Table 2-3: Carbon emissions associated with commuting

	Distance (km)	kg CO ₂ e per km	kg CO ₂ e
Rail	73,225	0.035	2,597
Tube	13,679	0.028	380
Bus	4,828	0.108	524
Car	12,794	0.170	2,173
Total			5,673

*Source: SQW analysis
emissions from 2024*

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

Homeworking

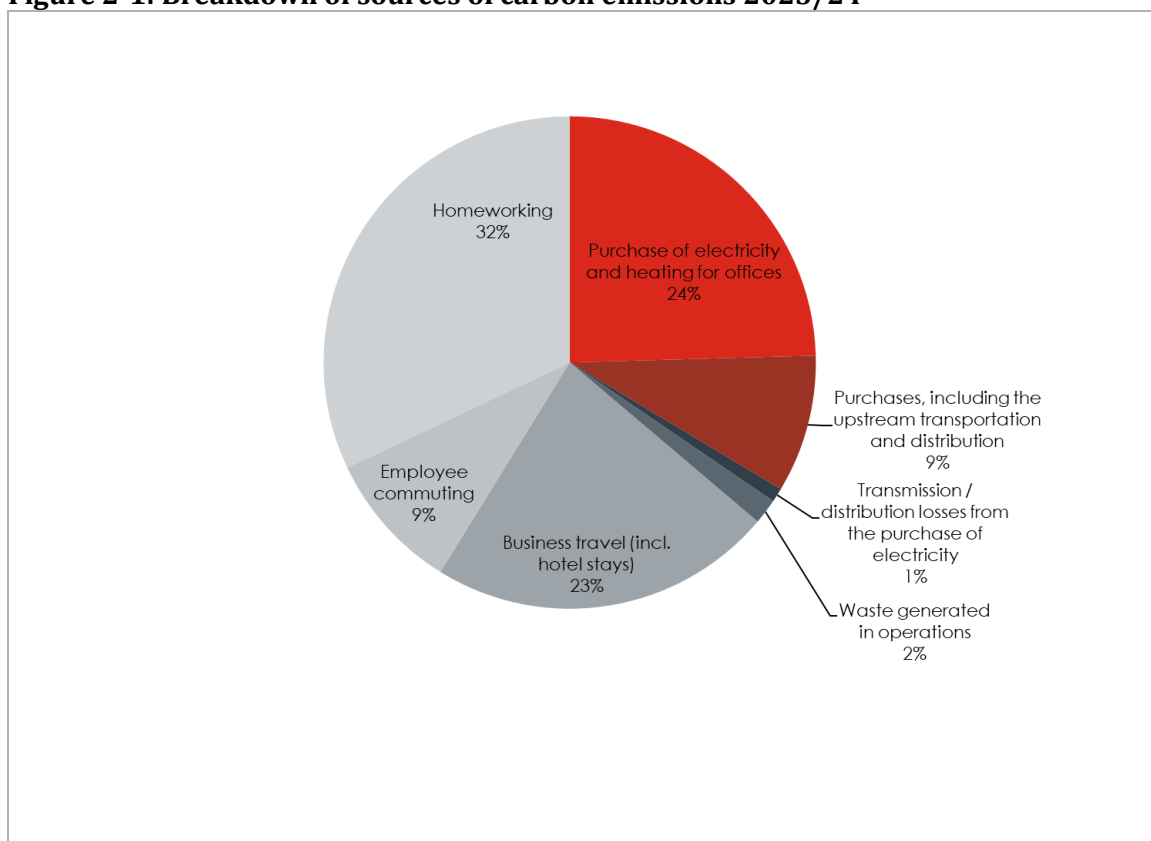
2.16 Homeworking remained common in 2023/24, with an estimated 65% of working days carried out at home. Based on the number of FTEs, working days and an assumption of eight hours per day, this results in approximately 59,500 working hours spent at home (51.1 FTEs for 224 working days * 65%).

2.17 Using Government guidance on the CO₂e conversion factor for FTE working hour office and heating from home for 2024 (of 0.33 kg CO₂e equivalent per hour), we have **estimated carbon emissions associated with homeworking of 19,849 kg CO₂e.**

Breakdown of emissions sources

2.18 Figure 2-1 sets out the breakdown of carbon emissions by source. This shows that approaching a third (32%) of our emissions for 2023/24 were due to homeworking (similar to the previous year). Heating and power for offices accounted for 24% (compared to 29% in the previous year). Business travel (including hotel stays) accounted for 23% of emissions (compared to 14% in the previous year). We expect that this breakdown may remain broadly similar in future years, although business travel may continue increase in relative terms, dependent on client expectations for in-person engagement.

Figure 2-1: Breakdown of sources of carbon emissions 2023/24



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 2023/24 (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
 - actions that we can implement that can minimise our indirect emissions through business travel, employee commuting and homeworking.
- 3.3** With client requirements for in-person engagement continuing to evolve, we anticipate that emissions from business travel are likely to be broadly consistent or potentially slightly higher in 2024/25. However, **if our total emissions remain similar in 2024/25 (+/- 5% in terms of total emissions from the level in 2023/24), we will use 2024/25 (i.e. next years’ data) as a new baseline position, to represent a more accurate baseline for our emissions.**
- 3.4** **We will also consider the viability of developing emissions reductions targets for Scope 3 emissions from this new baseline,** consistent with our ambition to being a net zero company by 2030, and in a way that reflects our wider business objectives and priorities, including our commitments to meeting client needs, the well-being of our staff, and providing a positive and progressive approach to flexible and hybrid working.
- 3.5** The area where we can set emissions targets is in relation to Scope 2, the purchase of electricity and heating for our offices. One of our three offices (Manchester) uses renewable energy, and last year we agreed a new year lease on this office. We have also recently moved our London office, and now have the flexibility to select the energy tariff. **We will aim for all of our offices to use renewable energy by 2030, with the result that our Scope 1 and 2 emissions are zero by 2030.** This will be achieved through seeking to influence our landlords and/or considering 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 we have zero emissions associated with the electricity and heating of offices by 2030), and heating/lighting facilities
- review and seek to identify scope for proportionate and practical improvements in our approach to estimating Scope 3 emissions (e.g. business travel)
- 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.

Medium and longer-term actions and considerations

3.7 The assessment points to two further considerations:

- Our central servers and ICT equipment are sources of carbon emissions, and we are moving to a new version of SharePoint that will be in the cloud
- Hybrid working may have implications for our carbon footprint, and so better understanding of the sources of emissions will be useful in identifying further actions.

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

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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About us

SQW Group

SQW and Oxford Innovation are part of SQW Group.

www.sqwgroup.com

SQW

SQW is a leading provider of research, analysis and advice on sustainable economic and social development for public, private and voluntary sector organisations across the UK and internationally. Core services include appraisal, economic impact assessment, and evaluation; demand assessment, feasibility and business planning; economic, social and environmental research and analysis; organisation and partnership development; policy development, strategy, and action planning. In 2019, BBP Regeneration became part of SQW, bringing to the business a RICS-accredited land and property team.

www.sqw.co.uk

Oxford Innovation

Oxford Innovation is a leading operator of business and innovation centres that provide office and laboratory space to companies throughout the UK. The company also provides innovation services to entrepreneurs, including business planning advice, coaching and mentoring. Oxford Innovation also manages investment networks that link investors with entrepreneurs seeking funding from £20,000 to £2m.

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