

# Carbon Reduction Plan

Supplier name: ...MSQ Partners .....

Publication date: ...22/09/2023.....

## A note about the MSQ agencies

MSQ Partners is a group of marketing, creative and technology agencies all of whom provide professional services to clients around the world. Carbon footprint data (Scope 1, 2 and 3) is measured at the agency level and then rolled up to provide the MSQ figures shown in this document. Given the very similar nature of the business operations of each agency, this CRP applies to all companies within the group. Specific agency level emissions data can be provided on request. Please note that the MSQ agencies are:

- Brave Spark
- Elmwood
- Freemavens
- The Gate
- MBASStack
- Miri
- MMT Digital
- Smarts
- Stein IAS
- Twentysix
- Walk-in Media

All entities are wholly owned by MSQ Partners.

## Commitment to achieving Net Zero

MSQ Partners is committed to achieving Net Zero emissions by 2040.

## 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.

<b>Baseline Year: 2019</b>	
<b>Additional Details relating to the Baseline Emissions calculations.</b>	
No specific additional details. In line with SBTi guidelines our baseline emissions are recalculated following any further acquisitions by MSQ into the group. Or if there are significant changes to the modelling calculations (for example, improvements that could be applied to 2019 if it was felt that certain Scope 3 categories could have been historically modelled more accurately).	
<b>Baseline year emissions:</b>	
<b>EMISSIONS</b>	<b>TOTAL (tCO<sub>2</sub>e)</b>

<b>Scope 1</b>	<b>104</b>
<b>Scope 2</b>	<b>490.5</b>
<b>Scope 3 (Included Sources)</b>	<b>4291.6</b>  In-line with our Science Based Targets submission we audited all 15 Scope 3 categories and report on those that are relevant and significant (and additionally include “homeworker emissions”). Those categories are 1, 3, 6, 7 and 5*.
<b>Total Emissions</b>	<b>4486</b>

## Current Emissions Reporting

<b>Reporting Year: 2022</b>	
<b>EMISSIONS</b>	<b>TOTAL (tCO<sub>2</sub>e)</b>
<b>Scope 1</b>	<b>10.5</b>
<b>Scope 2</b>	<b>205.3</b>
<b>Scope 3 (Included Sources)</b>	<b>4027.5</b>  In-line with our Science Based Targets submission we audited all 15 Scope 3 categories and report on those that are relevant and significant (and additionally include “homeworker emissions”). Those categories are 1, 3, 6, 7 and 5*.
<b>Total Emissions</b>	<b>4243.6</b>

NB. as a growing professional services business we also closely track “emissions per head” as an important intensity metric. Further details of our emissions (absolute and intensity based) can be found on our low-carbon sustainability report:

<https://sustainability.msqpartners.com/numbers>

**\*Justifications for Scope 3 Categories:** we have audited all 15 Scope 3 categories and report on those that are relevant and significant, which for our current operations is 1, 3, 5, 6 and 7.

Any Transportation and distribution of purchased products, upstream of the reporting company’s tier 1 suppliers (category 4) is included in our Category 3 emissions. We are not currently able to report on anything else that would fall into category 4.

As MSQ do not produce “sold products” that need to be transported and distributed in vehicles and facilities not owned or controlled by the reporting company (category 9), we currently do not report on this category.

Scope 3 emissions represent up to 80% of any organisation’s carbon emissions. There are 15 categories of Scope 3 emissions defined by the GHG Protocol. We are currently in the process of moving to a carbon footprint platform and so hope to be able to report on more categories in the future. However, currently in completing our CRP, we have identified five of these categories to be the most relevant and significant as detailed below:

Scope 3 Category	Category description	Minimum boundary
1. Purchased goods and services	Extraction, production, and transportation of goods and services purchased or acquired by the reporting company in the reporting year, not otherwise included in Categories 2 - 8	All upstream (cradle-to-gate) emissions of purchased goods and services
3. Fuel- and energy related activities (not included in scope 1 or scope 2)	<p>Extraction, production, and transportation of fuels and energy purchased or acquired by the reporting company in the reporting year, not already accounted for in scope 1 or scope 2, including:</p> <p>a. Upstream emissions of purchased fuels (extraction, production, and transportation of fuels consumed by the reporting company)</p> <p>b. Upstream emissions of purchased electricity (extraction, production, and transportation of fuels consumed in the generation of electricity, steam, heating, and cooling consumed by the reporting company)</p> <p>c. Transmission and distribution (T&amp;D) losses (generation of electricity, steam, heating and cooling that is consumed (i.e., lost) in a T&amp;D system) – reported by end user.</p> <p>d. Generation of purchased electricity that is sold to end users (generation of electricity, steam, heating, and cooling that is purchased by the reporting company and sold to end users) – reported by utility company or energy retailer only</p>	<p>a. For upstream emissions of purchased fuels: All upstream (cradle-to-gate) emissions of purchased fuels (from raw material extraction up to the point of, but excluding combustion)</p> <p>b. For upstream emissions of purchased electricity: All upstream (cradle-to-gate) emissions of purchased fuels (from raw material extraction up to the point of, but excluding, combustion by a power generator)</p> <p>c. For T&amp;D losses: All upstream (cradle-to-gate) emissions of energy consumed in a T&amp;D system, including emissions from combustion</p> <p>d. For generation of purchased electricity that is sold to end users: Emissions from the generation of purchased energy</p>
5. Waste generated in operations	Disposal and treatment of waste generated in the reporting company's operations in the reporting year (in facilities not owned or controlled by the reporting company)	<p>The scope 1 and scope 2 emissions of waste management suppliers that occur during disposal or treatment.</p> <p><i>Optional: Emissions from transportation of waste</i></p>
6. Business travel	Transportation of employees for business-related activities during the reporting year (in vehicles)	The scope 1 and scope 2 emissions of transportation

	not owned or operated by the reporting company)	carriers that occur during use of vehicles (e.g., from energy use)  <i>Optional: The life cycle emissions associated with manufacturing vehicles or infrastructure</i>
7. Employee Commuting	Transportation of employees between their homes and their worksites during the reporting year (in vehicles not owned or operated by the reporting company)	The scope 1 and scope 2 emissions of employees and transportation providers that occur during use of vehicles (e.g., from energy use)  <i>Optional: Emissions from employee teleworking</i>

## Emissions reduction targets

Our reduction targets for 2030 have been formally approved by the SBTi. These are now classed as our near-term SBTs and can be found here:

<https://sciencebasedtargets.org/companies-taking-action#table>

Our approved science-based target certificate is located here:

<https://joinedupthinking.xyz/wp-content/uploads/2021/10/MSQP-UNI-001-OFF-Certificate.pdf>

For convenience they are:

MSQ commits to reduce absolute scopes 1 and 2 GHG emissions 100% by 2026 from a 2019 base year.

MSQ commits to reduce scope 3 GHG emissions 70% per full-time employee by 2030 from a 2019 base year.

MSQ also commits that 50% of its suppliers by spend covering purchased goods and services, will have science-based targets by 2026.

In order to continue our progress to achieving Net Zero by 2040, we have pledged the following Net Zero carbon reduction targets in accordance with SBTi guidelines.

Those targets (*which extend the near-term SBTs above*) are:

- MSQ commits to reach net-zero greenhouse emissions across the value chain by 2040 from a 2019 base year.
- **Long-term Target:** MSQ commits to reduce absolute scopes 1, 2 and 3 GHG emissions by 90% by 2040 from a 2019 base year."
- MSQ commits to reduce absolute scope 3 GHG emissions from purchased goods and services by 88% by 2040.
- MSQ commits to reduce absolute scope 3 GHG emissions from business travel by 88% by 2040

- MSQ commits to reduce absolute scope 3 GHG emissions from commuting by 88% by 2040.

## Carbon Reduction Projects

### Completed Carbon Reduction Initiatives

Below we have outlined our core strategies across Scope 1, 2 and 3, Achieving all of these will allow us to meet both our near-term SBT (50% reduction by 2030) and our Net Zero target (90% reduction by 2040). Many of these are long-term, ongoing strategies (e.g., switching to renewable energy across all our offices around the world) so underneath the strategies for each Scope we have briefly outlined what has been achieved to date.

### Scope 1 reduction strategies

1. Removing gas or switching to carbon neutral gas  
Ensure no offices are using gas appliances or gas-based heating systems. Where this is not possible then those offices should switch to an energy company such as Octopus who supply a percentage of gas from natural sources as well as offsetting the rest on our behalf (N.B this is just a short-term measure).
2. Ensure EV or Bike policy in the event that MSQ requires any company owned vehicles  
MSQ currently has no fleet vehicles. However, if MSQ does require company vehicles in the future then schemes such as OctopusEV are available for both business leasing as well as salary sacrifice schemes for staff (covered in Scope 3): <https://www.octopusev.com/>

Main achievements to date:

- Full global audit carried out of all offices to understand which offices have a gas supply, the supplier and level of control (e.g. direct purchase or via landlords).
- Scope 1 emissions have reduced 90% from our 2019 baseline year.
- OctopusEV lease hire scheme in place.

### Scope 2 reduction strategies

1. Switch to 100% renewable electricity  
This would allow us to set our Scope 2 emissions to zero for all offices (market-based). The alternative way to account for this is to ignore the supplier and measure usage (location-based). Both techniques are allowed for official reporting.
2. Install low energy LED lighting panels  
As per point above, once an office has switched to a 100% renewable energy supplier there is no further additional benefit from a reporting point of view. However, this is still a good thing as it helps the planet to achieve Net Zero more rapidly and the ROI can be as low as 2 years given the cost savings.
3. Install zoned lighting and sensors where possible  
Again, whilst saving electricity won't decrease emissions (from a reporting perspective) once a building is on renewable energy it's still a good idea to reduce kWh. Both because it saves costs but also because it places less demand on the national grids and allows a greater percentage of electricity from renewables more easily.
4. Purchase and use lower energy appliances in offices  
As above.

5. Review options with landlords to install solar panels on offices  
This is perhaps a lower priority strategy that could be reviewed and discussed with landlords as part of transitioning offices over to renewables.

Main achievements to date:

- Full global audit carried out of all offices to understand the supplier and level of control (e.g. direct purchase or via landlords).
- Main UK offices (Bow Street, London) switched to 100% renewable energy.
- 90% of UK offices now on renewable energy.
- Main London offices and Midlands offices all with low-energy LED lighting.
- Reviewed Ripple as an alternative to the installation of solar panels (investment in wind farms instead).

### Scope 3 reduction strategies

1. Providing emissions data for commute and travel discussion  
This is a rather vague strategy but clearly the decision about how an agency chooses to operate with regards to flexible working and policies around travelling to meetings (internal and new business) will be down to the individual agencies themselves.

The goal of the sustainability team will simply be to provide useful reports on emissions from commuting and travel across MSQ to facilitate discussion around which agencies are able to make larger reductions and why. The current goal to reduce commute and work travel emissions by 50% by 2024 should be reasonably easy to achieve in a post covid world. Reductions beyond that may start to become more of a challenge.

2. Promoting schemes to reduce travel emissions  
Whilst they may not be appropriate for all MSQ business (depending on office locations) there are official schemes that could be rolled out across a number of agencies including:
  - The Cycle to Work Scheme (UK based scheme for tax free bike purchases)
  - EV lease hire schemes (e.g. Octopus EV lease hire for companies with poor public transport links into the offices: <https://www.octopusev.com/>)

The sustainability team can also use the data to help promote the use of public transport, lower emission transport, lift sharing or even the benefits of walking to work.

3. Minimising flights  
Air travel is a huge contributor to carbon footprint. Agencies that had teams that flew a lot in 2019 had noticeably increased base level footprints. As with other areas around travel, it's not the goal (or the remit) of the sustainability team to set policy but to provide the data in order to keep the subject on the agenda to discuss if alternatives are available.
4. Reduce nights spent in hotels  
We would expect to see this drop in-line with a reduction in work travel.
5. Transition to more sustainable suppliers for all goods and services  
This will require us to analyse the detailed breakdown of spend across suppliers. From physical products to professional services (IT, HR / recruitment, legal etc) we will need to start to build up a bank of preferred suppliers to switch to (where

possible) and to apply pressure and / or to understand if suppliers that cannot be switched are carbon neutral (or what their plans are).

6. Encourage staff to switch to 100% renewable energy  
Helping, and even incentivising, staff to move to 100% renewable energy is a good thing to do regardless of impact on the company footprint. However, given homeworker emissions made up over 10% of our total emissions in 2020 it would also have a meaningful impact on our carbon reduction efforts given we will have a larger percentage of our workforce working remotely post-covid (although not to the extent that they were in 2020).

Main achievements to date:

- OctopusEV scheme rolled out to UK staff. Over £1m of EVs ordered through the scheme and 24 cars on the road.
- “Dash rides” scheme rolled out alongside Cycle to Work scheme to allow staff to lease hire electric bikes for commuting to the London offices.
- All MSQ agencies have access to detailed Scope 3 travel emissions data (commuting and business travel).
- Renewable energy scheme launched for staff to provide discount via Octopus.
- Central Travel Booking System Travel Perk has been trialled at MMT and is currently being rolled out to other interested agencies. Other Travel Booking Systems are being implemented by other agencies due to client preferences and travel methods.
- Supply chain emissions now reported and measured in a more granular way so that we can begin to see how best to start to reduce them.

## Other initiatives

Alongside the core reduction activities there are a number of other initiatives that we have launched. Both to help with short-term mitigation as well as helping our staff with their personal reduction journey. These include:

- Over 180,000 trees planted via [Ecologi](#) as part of our Million Tree Pledge
- Over 13,000 tCO<sub>2</sub>e has been avoided through 46 verified carbon avoidance projects.
- Over half of all permanent staff signed up to [Giki Pro](#), an app that enables us to gamify personal carbon footprint reduction across the agencies.
- Over 1,500 tonnes of avoidance offsetting and over 22,000 trees planted by MSQ staff via our “[MSQ People](#)” scheme.
- Almost 3,500 companies from all over the world have signed up to our free course to help SME’s measure, reduce and offset their company footprint, open-sourcing our work at MSQ (<https://www.futurelearn.com/courses/how-to-measure-reduce-and-offset-your-companys-carbon-footprint>)
- Launched our [2023 Sustainability Report](#) as a low-carbon website to help raise awareness about digital footprints.

## 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<sup>1</sup> and uses the appropriate Government emission conversion factors for greenhouse gas company reporting<sup>2</sup>.

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<sup>3</sup>.

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:**

Daniel Yardley - Director



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Date: . 22/09/23 .....

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

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

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