



Carbon Reduction Plan For Project Group

Company Registration Number: 10174050

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Created by: Positive Planet



**positive
planet**

Our Commitment

Project Group is committed to achieving Net Zero emissions by 2040.

What does Net Zero mean in practice?

To achieve Net Zero, we will be aiming to reduce emissions in line with the latest science-based targets (SBTs). SBTs are greenhouse gas reduction goals set by organisations; they are defined as “science-based” when they align with the scale of reductions required to limit global temperature increases to 1.5°C compared to pre-industrial temperatures. For most businesses, this requires a reduction in absolute emissions of 90%.

SBTi recommends that organisations commit to near-term targets (that cover a minimum of 5 years/maximum of 10 years from the baseline year), as well as long-term targets.

Our near-term targets:

- Reduce scope 1 emissions by 50% by 2030.
- Reduce location-based* scope 2 emissions by 50% by 2030.
- Reduce market-based* scope 2 emissions by 100% by 2030.
- Reduce scope 3 emissions per £m in revenue by 42% by 2030.

Our long-term targets:

- Reduce scope 1 and location-based scope 2 emissions by at least 90% by 2040.
- Reduce scope 3 emissions per £m in revenue by at least 97% by 2040.
- Neutralise any residual emissions using verified carbon offsets.

Emissions covered by our targets:

- Scope 1 emissions: direct greenhouse gas emissions that occur from sources owned or controlled by a company, such as emissions from the combustion of fuels in on-site boilers, furnaces, or vehicles.
- Scope 2 emissions: indirect greenhouse gas emissions that result from the generation of purchased electricity, steam or other forms of energy consumed by a company.
- Scope 3 emissions: all other indirect greenhouse gas emissions that occur in an organisation’s value chain, including emissions from upstream and downstream activities.

*Purchased electricity emissions are measured in two ways: the location-based method and the market-based method. The location-based method takes into account the emissions intensity of the grid from which the electricity was purchased, whilst the market-based method also takes into account the emissions intensity of the tariff and suppliers the reporting organisation has specifically chosen. The market-based method can therefore take into account purchases of renewable energy via a tariff. We have chosen to set targets based on both methods, but will use market-based emissions in final reporting.

Our Carbon Footprint

Baseline Emissions

Baseline emissions are a record of the greenhouse gases that have been produced in the past and were produced before the introduction of any strategies to reduce emissions. Baseline emissions are the reference point against which emissions reduction can be measured. We have chosen to set our baseline year as the 1st of January 2022 to the 31st of December 2022*.

Baseline Year: 2022	
All scope 1, scope 2 and scope 3 emissions have been measured using the operational control approach. Where the reporting organisation does not have full control over a site (e.g. does not pay for utilities directly and cannot make building upgrades), scope 1 and 2 emissions are categorised under scope 3, Upstream Leased Assets. There were no downstream scope 3 emissions to report.	
Emissions	Total (tonnes CO ₂ e)
Scope 1	68.8
Scope 2	Market-based: 12.9 Location-based: 11.0
Scope 3	15,397.9
Total Emissions	Market-based: 15,479.6 Location-based: 15,477.7

*Carbon emissions were also quantified for the 1st of January 2021, to the 31st of December 2021. Due to the impact of COVID-19 on operations and a lack of data availability, we have decided that 2021 is not a representative measurement and so will not be using it as our base year.

Carbon Intensity Metrics

Metric	Carbon Intensity
Tonnes of CO ₂ e per Employee	131.2
Tonnes of CO ₂ e per £m of Revenue	374.2

Carbon intensity metrics are calculated using total market-based results.

Current Emissions Reporting

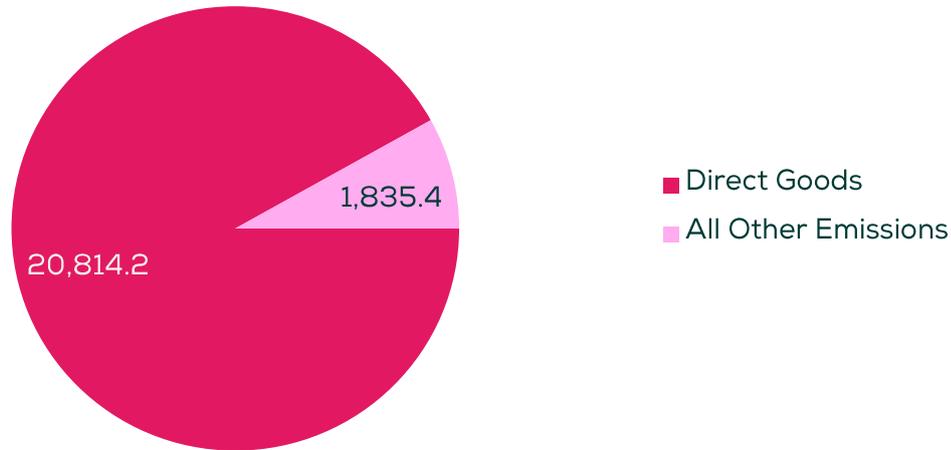
Current Year: 2024	
All scope 1, scope 2 and scope 3 emissions have been measured using the operational control approach. Where the reporting organisation does not have full control over a site (e.g. does not pay for utilities directly and cannot make building upgrades), scope 1 and 2 emissions are categorised under scope 3, Upstream Leased Assets. There were no downstream scope 3 emissions to report.	
Emissions	Total (tonnes CO ₂ e)
Scope 1	101.3
Scope 2	Market-based: 15.2 Location-based: 18.4
Scope 3	Market-based: 22,533.0 Location-based: 22,534.2
Total Emissions	Market-based: 22,649.6 Location-based: 22,653.9

Carbon Intensity Metrics

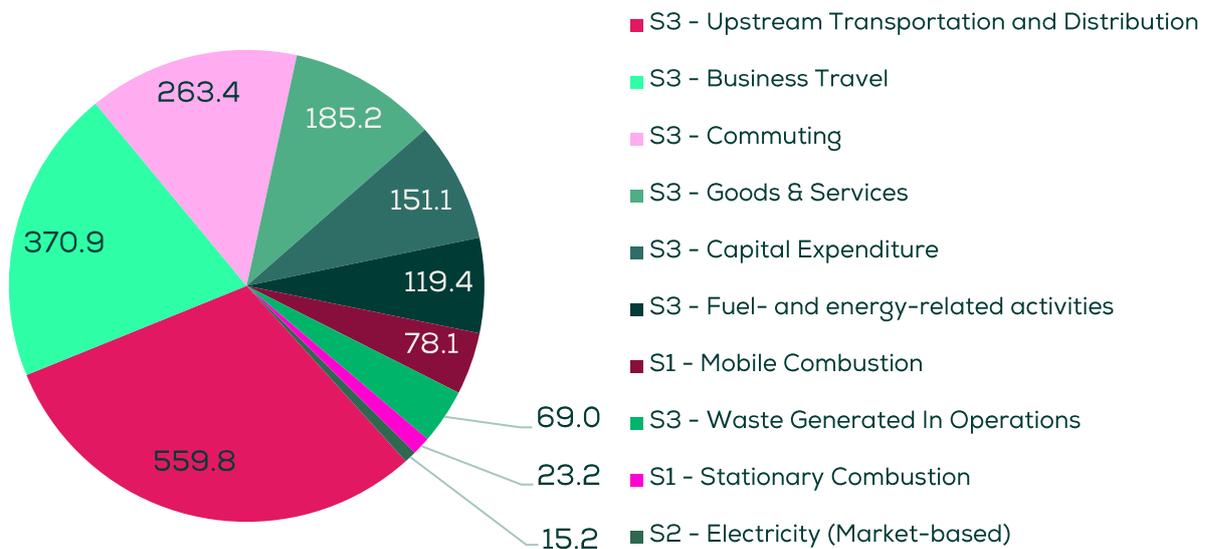
Metric	Carbon Intensity
Tonnes of CO ₂ e per Employee	129.5
Tonnes of CO ₂ e per £m of Revenue	361.8

Carbon intensity metrics are calculated using total market-based results.

Current Carbon Emissions Breakdown (tCO₂e)



Our largest source of emissions is our procurement of direct goods; this includes the materials and services that we purchase in relation to the delivery of projects. This source of emissions represents 92% of our footprint, with the remaining 8% being our operational emissions (shown below).



Of our operational emissions, emissions associated with Upstream Transportation and Distribution were the largest contributor at 559.8 tCO₂e. This includes emissions from third-party transportation and logistics services paid for by us, and then incoming goods transportation managed by the suppliers, where we have used Product Carbon Footprint data to measure upstream emissions. There will be some incoming good delivery emissions that should be categorised under Upstream Transportation and Distribution, but are currently categorised under (direct and overhead) Purchased Goods & Services because the only data available is total spend (including delivery). Business Travel followed at

370.9 tCO₂e, this includes emissions resulting from reimbursed travel (e.g. employee mileage, taxis, trains, flights, etc) and stays in hotels.

Commuting accounted for 263.4 tCO₂e, reflecting emissions from employee travel to and from the workplace, as well as work-from-home energy use. Emissions from (overhead only) Goods & Services were 185.2 tCO₂e, which includes emissions associated with the procurement of goods such as PPE, stationery and mobile phones, and services such as software, training and consulting.

Capital Expenditure contributed 151.1 tCO₂e, reflecting the embodied emissions of long-term asset purchases. This year we purchased vehicles, furniture and IT. such as IT, Fuel- and Energy-Related Activities added 119.4 tCO₂e, covering upstream emissions associated with energy use*.

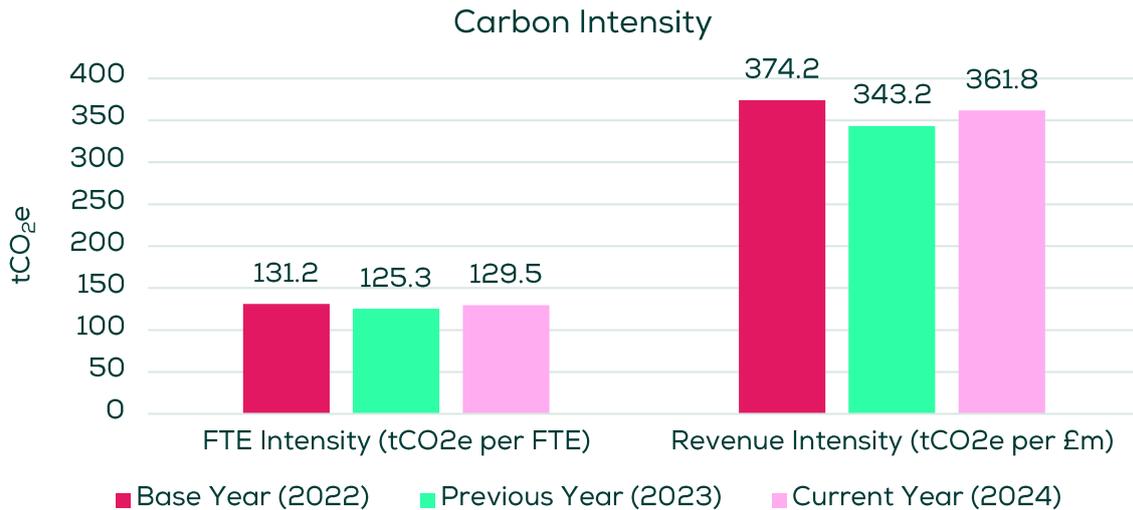
Mobile Combustion emissions (from fuel use in owned or leased vehicles) totalled 78.1 tCO₂e, while Waste Generated in Operations contributed 69.0 tCO₂e, including both waste disposal and water use. Smaller sources included Stationary Combustion (23.2 tCO₂e), from on-site gas use for heating, and Electricity (Market-based) (15.2 tCO₂e), representing purchased electricity using supplier-specific emission factors.

*Fuel- and Energy-Related Activities are those that occur upstream of energy use. In the other energy use categories, e.g. Stationary Combustion, we are accounting for the generation of electricity used or the combustion of fuels used, but these calculations do not consider the other emissions that occur, e.g. the generation emissions of electricity lost in the transmission and distribution system or the well-to-tank (extraction, processing and transportation) emissions of fuels. To ensure we are measuring our full impacts, we have included these emissions for all scope 1 (mandatory), scope 2 (mandatory) and upstream scope 3 (optional) energy use activities.

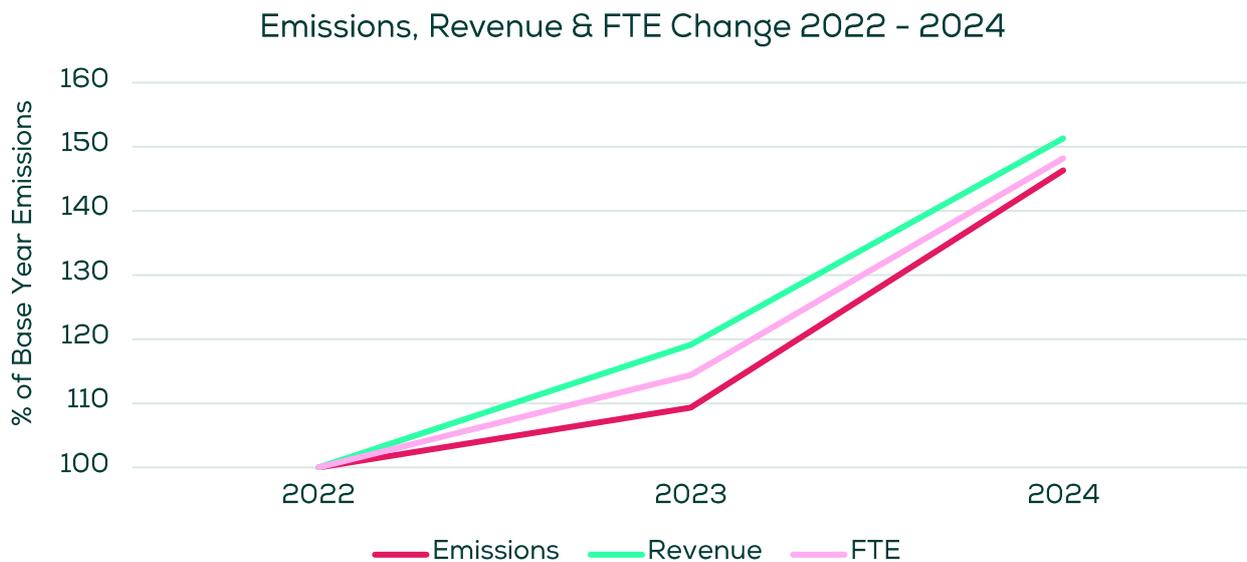
Comparison of Emissions Over Time

	Base Year (BY) (2022)	Previous Year (PY) (2023)	Current Year (2024)	Change Since BY (%)	Change Since PY (%)
Scope 1					
Stationary Combustion	19.9	17.8	23.2	+16.5%	+30.0%
Mobile Combustion	48.9	88.4	78.1	+59.6%	-11.7%
Scope 2					
Electricity (Location-based)	11.0	12.9	18.4	+68.0%	+43.1%
Electricity (Market-based)	12.9	9.8	15.2	+18.4%	+55.4%
Scope 3					
Goods & Services	14,133.3	15,862.3	20,999.5	+48.6%	+32.4%
Capital Expenditure	36.4	48.0	151.1	+314.9%	+214.8%
Fuel- and energy-related activities	87.8	103.2	119.4	+36.1%	+15.7%
Upstream Transportation and Distribution	587.8	330.7	559.8	-4.8%	+69.2%
Waste Generated In Operations	28.8	28.7	69.0	+139.4%	+139.9%
Business Travel	337.1	222.0	370.9	+10.0%	+67.1%
Commuting	186.7	208.6	263.4	+41.1%	+26.3%
Total (Location-based)	15,477.7	16,923.5	22,653.9	+46.4%	+33.9%
Total (Market-based)	15,479.6	16,920.4	22,649.6	+46.3%	+33.9%

Emissions have increased in all GHG categories since the base year, aside from Upstream Transportation and Distribution, which has gone down by 4.8% due to a slight decrease in spending. These increases are, however, alongside an increase in our revenue of 51% and an increase in our workforce size of 48% since the base year. Emissions per £m in revenue and emissions per FTE have actually decreased since the base year (although they have increased since the previous year).



The graph below shows how similar our emissions increase is to our revenue increase and our increase in FTE. This suggests that Project Group is not becoming less sustainable (despite the large increase in overall emissions), but it also doesn't suggest emissions would have decreased significantly without this business growth.



It is also important to note that we moved into a new site this year (Harrier House), which is responsible for part of the increase in gas use emissions. Dalton House also used more gas this year than in the base year, which is likely a result of us opening up more of the office space due to the increasing workforce size, as previously, parts of the office were not being heated. We used less electricity in Dalton House, but overall electricity emissions increased despite this, as we were only able to collect spend data for Tariff Street electricity, and emissions tend to be overestimated when spend-based data and factors are used to estimate the emissions of energy use activities.

The electrification of our fleet has had a positive impact on our footprint, with a reduction in our Mobile Combustion emissions from last year of 11.7% (although missions are still greater than they were in the base year).

Our largest increase in emissions came from our Purchased Goods & Services emissions (up 6,866.2 tCO_{2e} since the base year), which is a result of increased spending. The same is true of our Capital Goods emissions. As noted last year, we are still using a large amount of spend-based data (despite trying to collect some supplier data this year), and this means that we are unlikely to see reductions in the footprint even where sustainable procurement decisions are being made (as spend-based factors are based on industry averages and not our specific set of suppliers).

Business Travel emissions have increased significantly since the previous year and by 10% since the base year. Last year, there were 344,756 miles completed by staff in their own vehicles, 7% of which were completed in electric vehicles. This year, reimbursed mileage increased to 459,510, with only 6% of mileage completed in an electric vehicle. We are also using spend-based data for most other modes, which is likely inflating emissions. Where Positive Planet have been able to identify a start and end station for rail journeys in our data, this has been used in place of the spend. Last year, they did this for 67% of our rail spend, which reduced total rail emissions to 33.9 tCO_{2e} from 89.5 tCO_{2e}. This year, they did this for less data (12%, which reduced total rail emissions to 96.8 tCO_{2e} from 108.3 tCO_{2e}). This highlights the importance of high-quality data collection for business travel (including flights, rail, taxis and any other modes used).

Our Commuting and WFH emissions have increased on an absolute basis, but per employee emissions have gone down from 1.6 tCO_{2e} in the base year and 1.5 tCO_{2e} in the current year. The response rate for the survey has gone down to 48% (from 74% last year), so this could be a result of less accurate results.

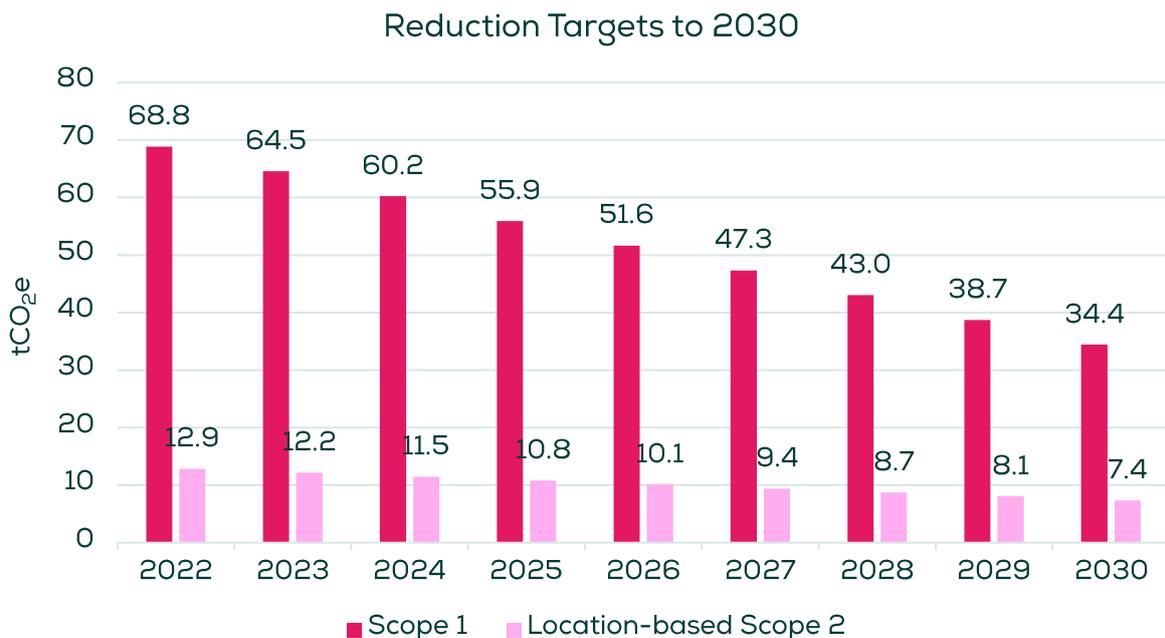
Carbon Reduction

Our Net Zero targets

Project Group is committed to achieving Net Zero by 2040. We have also set the following near-term targets, against which we will track our progress:

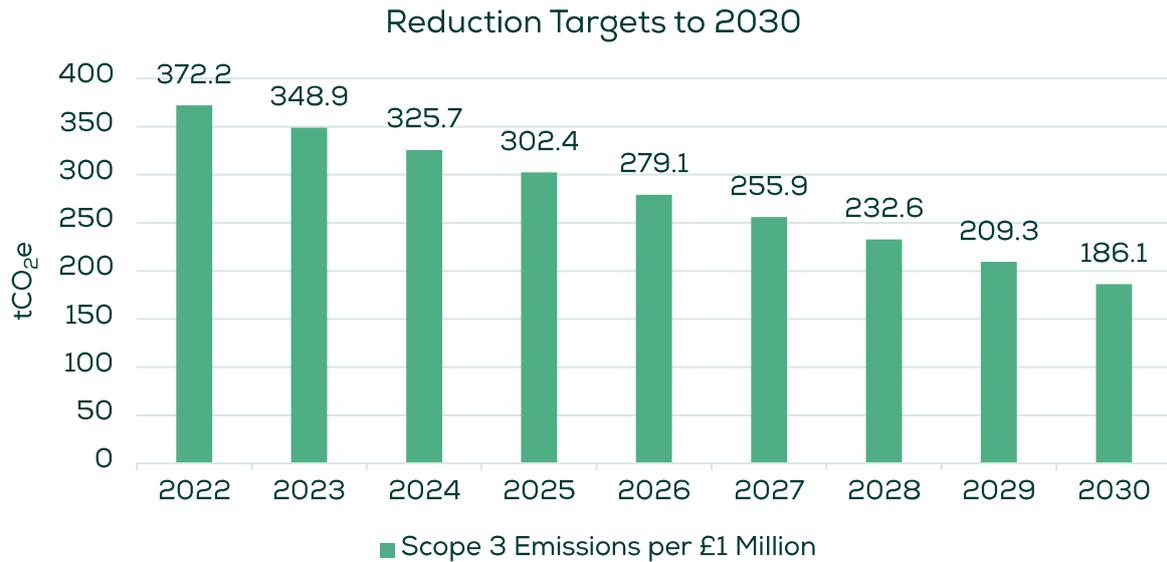
- Reduce scope 1 emissions by 50% by 2030.
- Reduce location-based* scope 2 emissions by 50% by 2030.
- Reduce market-based* scope 2 emissions by 100% by 2030.
- Reduce scope 3 emissions per £ in revenue by 42% by 2030.

The graph below shows our scope 1 and location-based scope 2 emissions reduction targets to 2030 based on base year emissions. To achieve a linear reduction, we would need to reduce scope 1 emissions by 4.3 tCO₂e each year and our location-based scope 2 emissions by 0.7 tCO₂e each year.

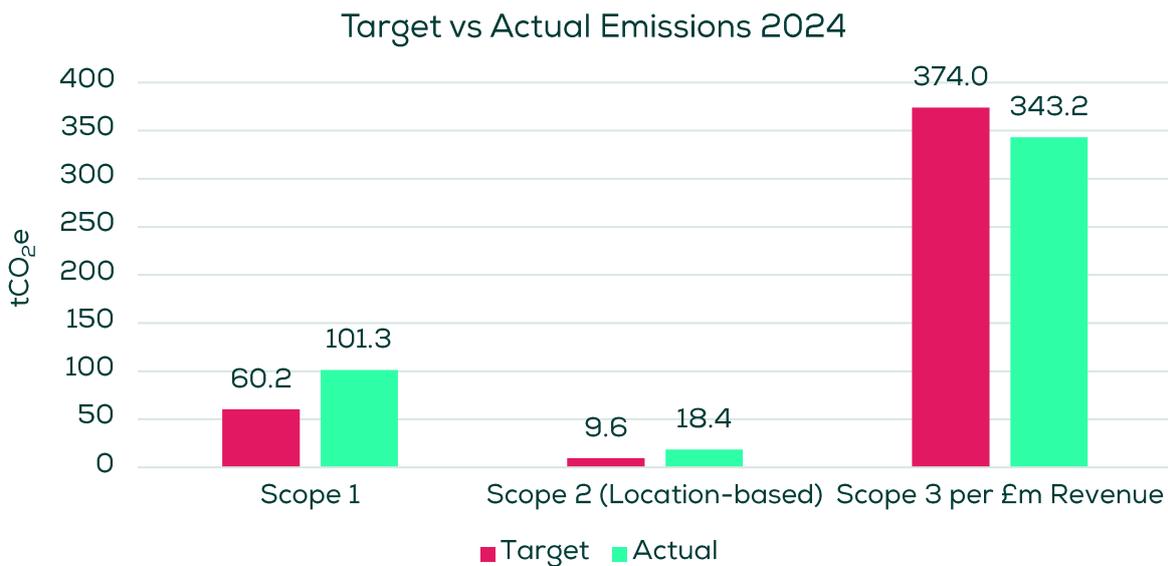


To meet our market-based scope 2 target, we will need to switch to 100% renewable energy tariffs for all sites and charge cars on only 100% renewable networks by 2030 (this is not expected to be a linear reduction and is not shown on the graph).

The graph below shows our scope 3 reduction targets to 2030 based on base year emissions. To achieve a linear reduction, we would need to reduce scope 3 emissions per £m in revenue by 23.3 tCO₂e each year.



Progress



Our scope 1 and scope 2 targets are not intensity-based, and the growth of the business has happened faster than decarbonisation, meaning that we cannot see a reduction in our footprint despite starting to use less gas and electrifying our fleet. We will need to prioritise fleet decarbonisation, a reduction in site energy use in order to get back on track with these targets. We are currently on track with our scope 3 target, but this isn't necessarily a result of changes across the business, as we are still using a large amount of spend-based data.

Completed Carbon Reduction Initiatives

The following emissions management measures and projects have been completed or implemented.

Completed Actions	Completed	Scope
Measure carbon emissions and use results to create a carbon reduction plan and set a science-based Net Zero target. Commit to measuring emissions and revising carbon reduction plans each year going forward.	2022	1, 2 & 3
Set up a Green Team that includes representation from different parts of the business. The Green Team have already introduced segregated waste recycling within the offices, influenced the milk supplier to provide only glass bottles that are collected and reused, and completed an awareness campaign on energy by stickers on monitors and IT equipment.	2023	1, 2 & 3
ISO 14001 certification (achieved on the 30th of September 2022 and is valid until the 19th of September 2025) through the implementation of an effective environmental management system and commitment to the continuous improvement of our environmental impacts.	2022	1,2 & 3
Project Group have been certified and registered as part of the Furniture Industry Sustainability Programme (FISP) since September 2022, and certification expires in September 2024. This program promotes best practices to drive social, economic and environmental change through continuous improvement of participants' operations. It is a recognised benchmark for sustainable practices in the UK furniture industry and will help us to reduce the carbon emissions and other negative environmental impacts associated with our procurement of furniture.	2022	3
Increase procurement of FSC-approved products and have the Bid/Sales teams offer FSC products as part of their estimate to clients to give them both options. This may have caused an increase in emissions under the current methodology, as FSC-approved products typically cost more, and the spend-based factors do not consider different types of products within a category.	2023	3
Create a new position of Supply Chain Business Development Manager who will focus on reviewing the supply chain and influencing our suppliers to offer more sustainable products. Increase the focus on sustainability credentials during the procurement process through our pre-qualification questionnaire.	2023	3

Offer an electric vehicle salary sacrifice scheme to staff to reduce emissions associated with commuting and business travel in company vehicles. So far, 8 employees have used the scheme to switch to EVs.	2023	3
As well as creating a Green Team, Project Group have an ESG focus group that looks at topics such as sustainability, community and staff welfare.	2022	1, 2 & 3
Increased reuse of furniture and materials, either via donation or by use in new projects.	2023	3
Use of the Ecosia search engine as the default across the organisation.	2023	Outside of scope
Began surveying suppliers in order to collect more information about their emissions and targets.	2024	3
Addition of a hybrid vehicle to the company vehicle fleet.	2024	1
Improved the data quality of the Waste Generated in Operations category.	2025	3
Completed two carbon measurements of two of our projects, the second with high data quality (e.g. materials, weights, transportation data, etc).	2025	3
In the process of completing a Life Cycle Assessment (LCA) and Environmental Product Declaration (EPD) report for a kitchen cabinet, which will allow us to accurately report emissions associated with the life cycle of this product.	2025	3
We purchased a thermal imaging camera that can be used to identify where heat is escaping from a building. We have produced some guidance on how to use the tool, and allow employees to borrow this to use at home and at client sites.	2025	1, 2 & 3

Future Carbon Reduction Plans

We are committing to action on the following emissions management measures and projects that are in line with our Net Zero targets.

Activity No.	Activity	Target Year	Category
1	<p>We will create a decarbonisation plan for each of our sites (including our new storage facility). We will first need to audit each of our sites (using tools such as Business Energy Scotland's energy audit checklist) and then consider the impact vs cost of the recommended improvements.</p> <p>We will also be creating an Energy Policy to ensure proper use of energy across our owned sites.</p>	2026	Stationary Combustion, Electricity
2	We will continue to monitor opportunities to switch electricity tariffs to those backed by 100% renewable energy generation or purchase agreements. We are aiming to procure all electricity through renewable tariffs by 2030, but as early as possible.	Ongoing	Electricity
3	Following the successful integration of a hybrid vehicle into our fleet, we are aiming to switch more of our vehicles to hybrid or electric models as current vehicles come to the end of their lease.	Ongoing	Mobile Combustion
4	Six members of the Project Group team are now certified as Carbon Literate. One team member is completing the train-the-trainer course and once complete, will begin to deliver Carbon Literacy training to colleagues. A target has been set to train 25% of staff members before the end of 2026.	2026	All scopes and categories
5	We have already started to survey our suppliers in order to find out more about their emissions and their commitment to sustainability, but we have yet to get a good response rate. Our priority for the year ahead will be to work with our procurement teams and look into alternative data collection methods. This may be building simple questions into our current processes (e.g.	2026	Purchased Goods and Services

	questionnaires used to collect information about things like insurance) or something like CDP .		
6	<p>We will reach out to our goods transportation providers and see if they are able to provide us with any activity data or emissions data that we can use in our footprint to improve our data quality and be able to see the impact of reductions (where our suppliers are making them). We will start by reaching out via email to some of our largest suppliers, e.g.:</p> <p><i>Project Group is committed to reaching Net Zero and has been measuring emissions for the last three years. As we approach our fourth measurement, we were hoping to collect some more accurate data from our transport and logistics partners.</i></p> <p><i>This might include detailed activity data relating to our goods (weight, distance, vehicle), an emissions report, or [Customer's Name]'s own carbon footprint measurement apportioned by revenue.</i></p> <p><i>If you have any data to share that fits the above descriptions, please do so/let us know if you need more information surrounding the request.</i></p> <p><i>If you have set emissions reduction targets or have any suggestions for reducing our shared emissions, we would love to hear more.</i></p> <p>Positive Planet can support us with reviewing data and responding to suppliers where there might be follow-up queries.</p>	2025	Transportation and Distribution
7	Discuss with relevant team members the data requirements for accurate business travel measurements with a view to amending current processes. Incorporate start station/end station or distance travelled into expense requests so that future measurements can be calculated using high-quality data.	2025	Purchased Goods and Services

8	<p>Work to improve the uptake of furniture reuse within projects. Some public tenders allow the use of reused furniture, whilst private contracts tend to specify that new materials should be used. This year, we will work with our contracts team to increase the number of projects for which we can use reused furniture and other materials, which will, in turn, reduce our procurement and waste emissions. We have already made some progress with waste emissions by donating around 400 items to charity.</p>	2025	Purchased Goods and Services
9	<p>Creation of a sustainability budget that can be used to fund training and incentives and absorb any increased costs, e.g. for more expensive low-emissions travel or high-cost sustainable materials.</p> <p>NB – Offsetting Project Groups' footprint for 2024 would cost around £158,550. If Project Groups' emissions were to increase by 10% each year to 2030, this would be around £280,900 per year by 2030 (without considering how the cost of offsets may change over time). It is therefore recommended that we spend the money on reduction projects to actually reduce emissions in the first instance.</p>	2026	All scopes and categories
10	<p>We have drafted some sustainability-related KPIs for the business and for each team. This will allow progress to be tracked across the year, with each team having involvement in reducing emissions. We now need to share these with the organisation and ensure everyone understands what the KPIs are, how they are measured and how they contribute towards them.</p> <p>We will be using action-focused targets to measure success over the next year rather than focusing only on the SBTi's linear reduction pathway. This action-focused targets will be based upon the above actions, and will allow us to consider progress despite the impact of business growth and supply chain collection challenges on the footprint measurement results.</p>	2026	All scopes and categories

Declaration and Sign-off

This Carbon Reduction Plan has been completed in accordance with PPN 006 and the 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 standard¹ and uses the appropriate Government emission conversion factors for greenhouse gas company reporting².

Scope 1 and Scope 2 emissions have been reported in accordance with SECR requirements, and the required subset of Scope 3 emissions has been reported in accordance with the published reporting standard for Carbon Reduction Plans and the Corporate Value Chain (Scope 3) Standard³.

This Carbon Reduction Plan has been reviewed and signed off by the Project Group Executive Team.

Signed on behalf of Project Group:

Name:

Position:

Date:

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

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

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