

Carbon Reduction Plan

Supplier name: MSQ Partners

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Context

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 Carbon Reduction Plan applies to all companies within the group.

Specific agency level emissions data can be provided on request.

Please note that the MSQ, wholly owned, agencies are:

- 26PMX
- Elmwood
- Freemavens
- M3 Labs
- MSQ DX
- MSQ Sport + Entertainment
- PRECIOUS Media
- Smarts
- SPCSHP
- Stein
- The Gate
- The Forge
- Walk-In Media

Commitment to achieving Net Zero

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

Emissions footprint

Baseline year emissions

Our baseline year of FY2020 (1st March 2019 – 28th February 2020) aligns with our Science Based Targets initiative (SBTi) approved near-term targets. Since establishing our baseline, we have undergone significant structural expansion with multiple acquisitions and geographic expansions from FY2021 onwards. All structural changes occurring after our baseline year are accounted for through our emissions tracking, but we have maintained FY2020 as our baseline for target-setting consistency.

In FY2025, we moved to the Cozero emissions management platform, which has improved our data quality and categorisation across all scopes. We have restated all years from FY2021-FY2025 using this enhanced methodology.

In our baseline year, waste disposal costs and laptops were captured within Scope 3.1: Purchased goods and services. From FY2021 onwards, our enhanced methodology enabled separate reporting of Scope 3.5: Waste generated in operations.

Scope and category	Emissions (tCO2e)
Scope 1	111.4
Scope 2 (location-based)	426.9
Scope 2 (market-based)	426.9
Scope 3 (Included Sources)	4,473.1
<i>In line with our Science Based Targets submission, we report on Scope 3 categories 1, 3, 5, 6 and 7, which are relevant and material to our operations as a professional services organisation.</i>	
Scope 3.1: Purchased goods and services	2,609.00
Scope 3.3: Fuel and energy-related activities	131.6
Scope 3.5: Waste generated in operations	0.00
Scope 3.6: Business travel	935.2
Scope 3.7: Employee commuting (including homeworking)	797.3
Total Emissions (Scope 1 + 2 market-based + Scope 3)	5,011.4

Reporting year emissions

Our reporting year is FY2025 (1st March 2024 – 28th February 2025).

Scope and category	Emissions (tCO2e)
Scope 1	17.7
Scope 2 (location-based)	201.6
Scope 2 (market-based)	151.9
Scope 3 (Included Sources)	4,837.4
<i>In line with our Science Based Targets submission, we report on Scope 3 categories 1, 3, 5, 6 and 7.</i>	
Scope 3.1: Purchased goods and services	2,772.7
Scope 3.3: Fuel and energy-related activities	41.1
Scope 3.5: Waste generated in operations	11.6
Scope 3.6: Business travel	1,287.2
Scope 3.7: Employee commuting (including homeworking)	724.8
Total Emissions	5,007

Emissions reporting methodology

Our emissions reporting follows the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard. We report using the operational control approach, accounting for emissions from all facilities and activities over which we have operational control.

Scope 1 and 2: We calculate emissions monthly or quarterly based on consumption data from energy suppliers and landlords. We use government conversion factors and location-specific emissions factors appropriate to each country of operation. We report both location-based and market-based Scope 2 emissions. Our market-based calculations reflect our renewable energy procurement strategy, where we purchase Renewable Energy Guarantee of Origin (REGO) certificates and renewable gas certificates from certified suppliers.

Scope 3: We have audited all 15 Scope 3 categories defined by the GHG Protocol and report on categories 1, 3, 5, 6 and 7, which represent the material emission sources for our operations as a professional services organisation. These categories cover purchased goods and services, fuel and energy-related activities, waste generated in operations, business travel, and employee commuting. As we do not manufacture physical products, own transportation fleets, or lease significant assets, the remaining Scope 3 categories are not material to our business model.

We process all financial transaction data through automated and expert-assisted categorisation. Our Cozero platform applies emissions factors from authoritative sources including DEFRA, EPA, IEA, and the GHG Protocol. For business travel and commuting, we combine spend-based data from our accounting systems with consumption-based data from travel management systems and annual employee surveys.

Detailed methodology: For a comprehensive scope-by-scope breakdown of our emissions calculation methodology, data sources, and emissions factors, please see our Emissions Calculation Methodology document.

Emissions reduction targets

Near-term targets (by FY2026)

Our near-term reduction targets have been formally approved by the Science Based Targets initiative (SBTi) and are classified as 1.5°C aligned.

MSQ commits to:

- Reduce absolute Scopes 1 and 2 GHG emissions 100% by FY2026 from our base year.
- Reduce Scope 3 GHG emissions 70% per full-time employee by 2030 from our base year.
- Ensure 50% of suppliers by spend covering purchased goods and services will have science-based targets by 2026.

Long-term Net Zero targets (by 2040)

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:

MSQ commits to:

- Reach net-zero greenhouse gas emissions across the value chain by 2040 from our base year.
- Reduce absolute Scopes 1, 2 and 3 GHG emissions by 90% by 2040 from our base year.
- Reduce absolute Scope 3 GHG emissions from purchased goods and services by 88% by 2040.
- Reduce absolute Scope 3 GHG emissions from business travel by 88% by 2040.
- Reduce absolute Scope 3 GHG emissions from commuting by 88% by 2040.

Carbon reduction projects

We have reduced Scope 1 and 2 emissions by 68% from our baseline year. In FY25, we achieved a 10% absolute reduction in total emissions compared to FY24, demonstrating that reductions are possible even as the business matures. Overall, we have maintained stable total emissions while more than doubling revenue and increasing headcount by almost two-thirds; evidence that we are successfully decoupling emissions from business growth.

Below we outline our strategies across Scopes 1, 2 and 3. Achieving these will enable us to meet both our near-term science-based targets and our Net Zero commitment.

Scope 1 reduction strategies

Transitioning away from fossil fuel heating

We are transitioning away from fossil fuel heating across our office portfolio where operationally feasible. Where gas heating remains in use, we procure ISCC-certified biomethane through Renewable Gas Guarantees of Origin. We invest in building improvements such as modern glazed windows and programmable thermostats to reduce heating demand where gas heating remains in use.

Main achievements:

- Completed full global audit of all offices to understand gas supply, supplier relationships and level of control.
- Reduced Scope 1 emissions by 84% from our baseline.
- Procured renewable gas certificates covering remaining gas consumption where elimination is not yet possible.
- Installed modern glazed windows and programmable thermostats in Belfast office to improve insulation and reduce gas usage.
- Maintained no company-owned fleet vehicles.

Scope 2 reduction strategies

1. Renewable electricity procurement

We prioritise renewable electricity procurement across our global office portfolio. Where we have direct control over electricity supply, 100% is sourced from renewable tariffs. For offices where landlords control procurement, we purchase Energy Attribute Certificates to compensate for non-renewable electricity consumption. Our market-based Scope 2 emissions reflect this comprehensive renewable energy strategy.

2. Office location strategy

When leases come up for renewal, we prioritise buildings with high energy efficiency ratings (e.g. BREEAM, LEED), access to renewable electricity, and landlords with credible science-based targets.

Main achievements:

- Reduced Scope 1+2 (market-based) emissions by 68% from our baseline.
- Achieved 100% renewable electricity where we have direct control over electricity supply.
- Procured Energy Attribute Certificates for offices where landlords control electricity procurement.
- Implemented energy efficiency measures including LED lighting, motion sensors, and programmable thermostats where we have operational control.

Scope 3 reduction strategies

1. IT lifecycle optimisation and circular economy

We have partnered with Dell Asset Recovery Service to manage end-of-life IT equipment across all our locations. The service handles any brand of equipment, refurbishing and reselling where possible or recycling with zero landfill, whilst managing data security. We procure refurbished laptops where specifications meet user requirements, and have streamlined financial processes to enable laptop transfers between agencies, extending equipment lifecycles across our group.

2. Transport and travel

Our transport and travel initiatives include:

- EV leasing schemes for UK employees.
- UK-wide schemes for the ownership, leasing and sharing of bikes and e-bikes.
- Flexible working policies and remote working technology reducing both commuting and business travel requirements.
- Travel management systems providing emissions tracking capabilities across multiple agencies.
- Employee incentive schemes supporting transition to renewable electricity at home.

3. Sustainable procurement

Our supply chain engagement includes:

- Engaging suppliers on science-based targets, with significant progress made toward our 50% target.
- Sustainable procurement programme for our highest-value SME suppliers.
- Prioritisation of suppliers with verified emissions data and sustainability commitments.

Carbon credits and beyond value chain mitigation

While our primary focus is emissions reduction, we also invest in carbon credits and broader industry change:

- **Carbon credits:** Purchased 16,822 tCO₂e of carbon credits across FY21–25, including 2,200 tCO₂e of removal credits and avoidance credits from 46 verified projects.
- **Tree planting:** Over 230,000 trees planted as part of our Million Tree Pledge commitment.
- **Employee engagement:** Employee-led carbon credit purchases totalling over 2,000 tCO₂e and 30,000 trees through our "MSQ People" scheme.
- **Industry leadership:** Active participation across multiple industry sustainability initiatives including board membership at Ad Green, co-chairing the BIMA Sustainability Council, contributing to W3C Web Environmental Sustainability Guidelines, participation in Purpose Disruptors working group, and collaboration with the Umbraco Sustainability Community Team.

Governance and reporting

Our Chief Sustainability Officer maintains accountability for environmental issues at Executive Board level through monthly meetings and quarterly strategic reviews. Our employee-led Climate Transition Council provides workforce input into climate strategy development, whilst our active risk and opportunity tracker informs board discussions on climate factors affecting strategic planning and operational management. We report progress annually through CDP and Ecovadis, maintaining a CDP Climate Change score of B, which is above the industry average. We maintain publicly available emissions reporting and review this Carbon Reduction Plan annually within 6 months of our financial year-end.

For detailed information about our emissions calculation methodology and sustainability commitments, please see:

- MSQ Partners Emissions Calculation Methodology
- MSQ Partners Sustainability Policy

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 the MSQ Partners Executive Leadership Team.

Signed on behalf of MSQ Partners:

Neil Clark
Chief Sustainability Officer