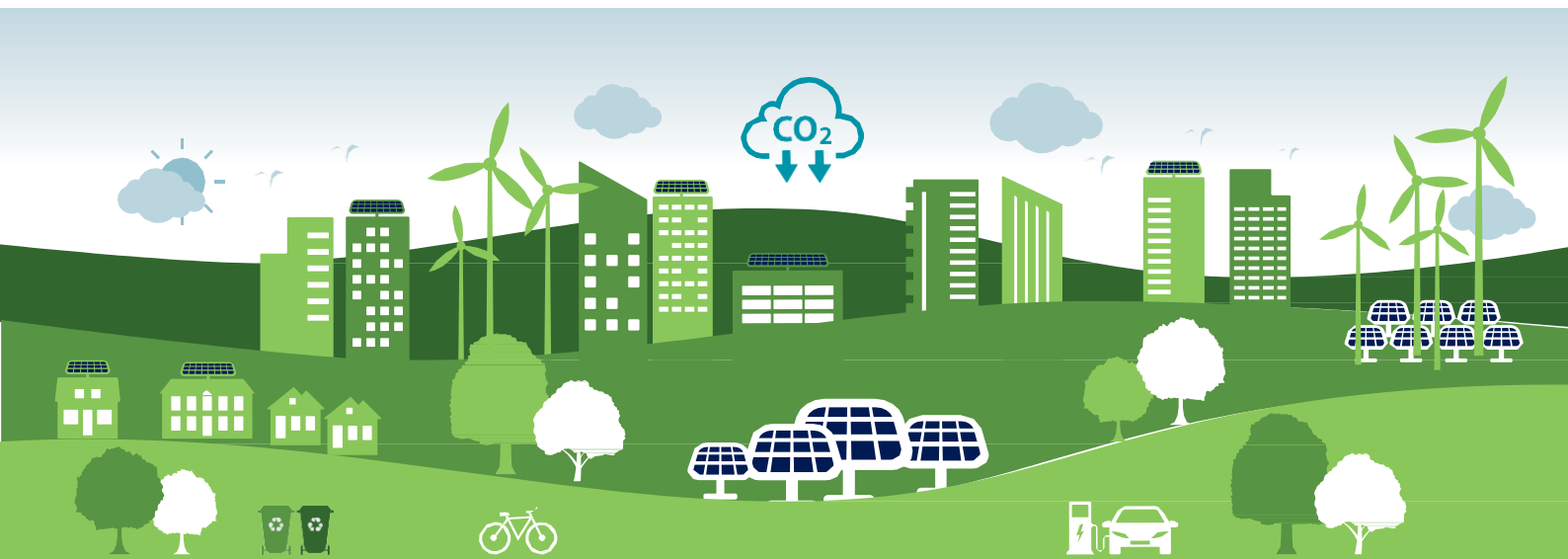


Carbon Reduction Plan 2025

Commercial Services Group





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Introduction

The UK government amended the Climate Change Act 2008 in 2019 by introducing a target of at least a 100% reduction in the net UK territorial carbon account (a reduction of greenhouse gas emissions, compared to 1990 levels) by 2050. This is otherwise known as the “Government Net Zero Target”.

The Government subsequently introduced a Public Procurement Notice, PPN 06/21, which aligns with the Net Zero Target. It requires Suppliers bidding for major government contracts to commit to achieving Net Zero by 2050 and publish a Carbon Reduction Plan (CRP) annually. It applies to all Central Government Departments, their Executive Agencies and Non-Departmental Public Bodies.

This directive applies to 2015 Public Contracts Regulations procurement, where the contract is £5m per annum (at the time of writing) or above. It applies to contracts, (including those awarded through frameworks, and Dynamic Purchasing Systems). In February 2025, the government released PPN 006 to align with new procurement policies under the Procurement Act 2023, however there has been no change to the criteria required for a CRP.

Therefore, this document fulfils both the criteria set out in PPN 06/21 and PPN 006.

Reporting Changes

Commercial Services Group (CSG), our portfolios, divisions and brands remain keen to demonstrate our commitment to reach Net Zero and to comply with the criteria set out in PPN 06/21 and PPN 006. This document presents our 4th CRP. Previous CRPs have reported emissions using an operational control approach, however as we progress it has been identified that:

- Implementation of carbon savings measures can be problematic due to ownership, leases and permissions.
- CSG did not hold the authority across all assets (especially leased assets) to be able to guarantee that the changes required to meet Net Zero could be implemented.

As such, CSG has taken the decision to move to a financial control accounting approach, in accordance with the GHG Protocol's Corporate Standard as referenced by the technical standard. This means that:

“the supplier (CSG) reports on all sources of carbon emissions over which it has financial control. The supplier is deemed to have financial control over a service if it has the ability to direct the financial and operating policies of the service with a view to financially managing its activities”.¹

As touched on above, this change will provide focus on areas where CSG can control the installation of new equipment and the implementation of projects to reduce emissions, which we were unable to do in some instances, especially in leased assets.

¹ [PPN 006 Technical standard for Completion of Carbon Reduction Plans.pdf](#)

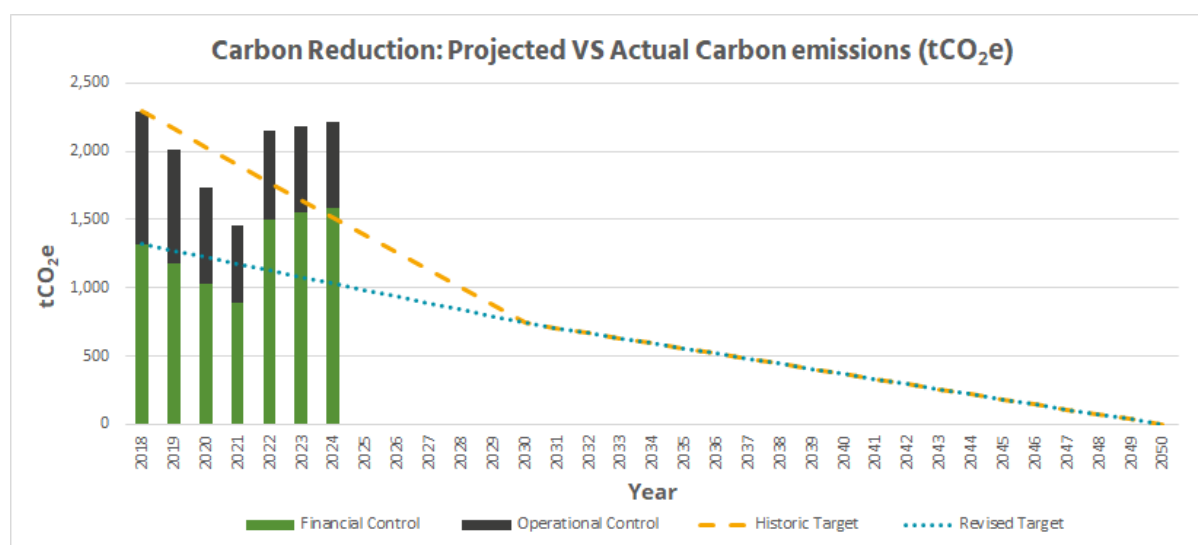
Impact of reporting changes on CSG emissions

The revised reporting scope now excludes leased sites and vehicles as they do not fall within scope under the financial control approach. The revised scope includes:

- Owned estate (Abbey Wood Road Head Office) – emissions from electricity and waste
- Owned vehicles – emissions from fuel use
 - N.B. – some emissions associated with leased vehicles are also included, as the data available from our fuel card system does not allow for differentiation between the purchase of fuel for use in owned or leased vehicles.
- Business travel – emissions from grey fleet.
 - N.B. – we are still working to make data available, to accurately estimate emissions from public transport use. Therefore, these emissions are not currently included.
- Employee commuting and homeworking

The chart below shows emissions associated with the historic reporting scope in dark grey (operational control), over and above the revised scope (financial control) in green for FYs 2018-19 to 2023-24. For reference, the years shown on the chart represent those financial years, so 2018 refers to the financial year from 1st April 2018 to 31st March 2019.

Both the historic and revised emissions targets are also shown and by 2030 they converge, due to the target of reducing all emissions, other than the 742 tCO₂e associated with Employee Commuting, to Net Zero by 2030.



With the application of the financial control approach, the new baseline for FY2018-19 has reduced by 42% and will give focus on those assets where CSG can enact change.

The table below summarises the key changes. For full years which have the same reporting scope, percentage reductions are shown in green and increases are shown in red. Percentage reductions between differing scopes (historic and revised reporting), are shown in grey.

Control Approach	FY2018-19 (tCO ₂ e)	FY23-24 (tCO ₂ e)	% change From 2018-19	FY2024-25 (tCO ₂ e)	% change From 2018-19
Historic	2,292	2,181	4.8%	2,215	3.4%
Financial	1,323	1,553	17.4 %	1,588	20.0%
% change	42.3%	28.8%	-	28.3%	-

Emissions under the financial control approach have risen from the baseline as they are significantly influenced by commuting and working from home emissions. These now make up nearly 60% of the total. These have risen substantially since the base year owing to an increase in the size of the group and the number of employees, which is expanded upon later in this report.

CSG will conduct future reporting using the financial control approach.

CSG's Organisational Structure

Commercial Services Group (CSG) is the largest, local authority owned, trading organisation in the UK. Since its inception over 90 years ago as the supplies division of Kent County Council (KCC), it has grown organically to become one of the leading suppliers of products and services to the education and public sectors.

Today, CSG is the umbrella organisation for 32 trading brands which serve over 15,000 customers in over 85 countries. With corporate headquarters, plus over 100,000 square feet of warehousing facilities, the Group employs over 1,600 people in the United Kingdom alone.

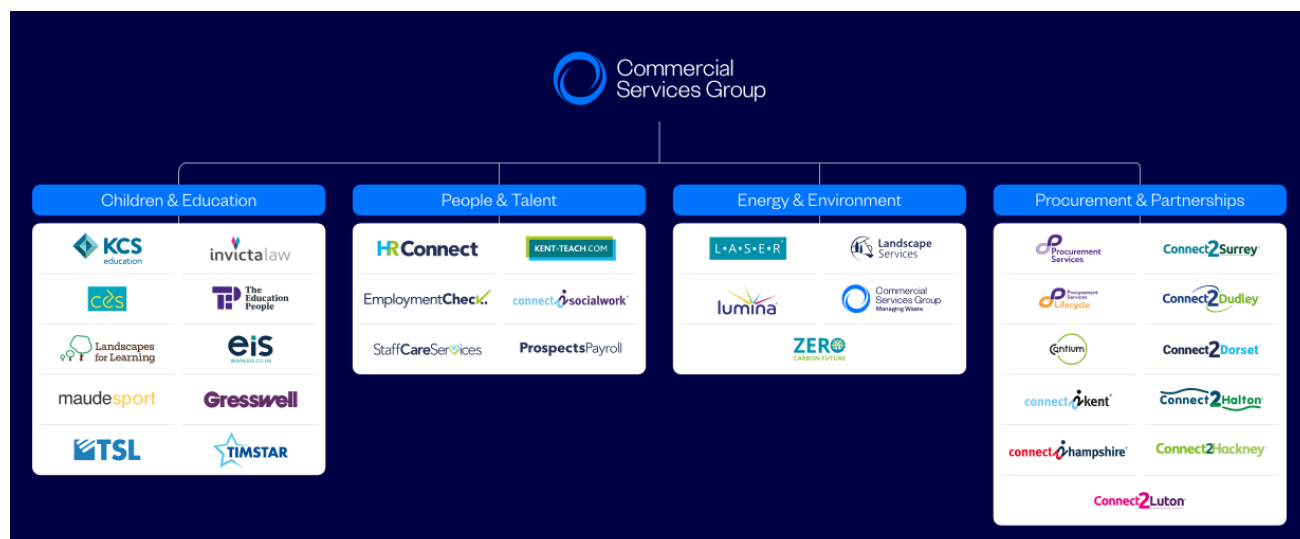
CSG generates a gross revenue of ~£603m and manages an additional ~£1.6bn per annum of public spend through its compliant framework solutions.

Our Services

The primary focus of the Group is the provision of services that support customer frontline delivery requirements, such as:

- Compliant Procurement Solutions and Frameworks
- Legal Services
- Temporary and Permanent Staff Recruitment
- Office and Education Supplies
- HR and Payroll Services
- Energy Brokerage Services
- Managed IT Solutions
- Carbon Reduction Initiatives
- Education Support Services
- Asset Support Services, Landscape & Waste Management Services

CSG Brands and Brand Structure



CSG's portfolio has seen significant growth over the last few years with further expansion in recruitment management services. In February 2025, CSG welcomed Maude Sport, Gresswell, TSL and Timstar into the portfolio. Data for these latest 4 companies is not included in CSG figures for 2024-25, as data was not available at time of reporting. This will be accounted for next year.

CSG's Commitment to Achieve Net Zero

CSG is committed to achieving Net Zero emissions by 2050 for Scopes defined by PPN 006.



Furthermore, we are targeting to achieve net zero greenhouse gas emissions from our own estate and operations by 2030.

This target applies to Scopes 1, 2 and selected Scope 3 emissions (business travel and waste).

Revised Baseline Emissions Footprint

Baseline Year: 2018-19 (1st April 2018 to 31st March 2019)

CSG have historically used 2018-19 as the baseline for ISO14001 reporting. In May 2025, this was revised to 2021-22 to correspond to scheme's 3-year target and reporting cycle. However, for the purposes of this report the baseline year of 2018-19 will continue to be used.

CSG continues with a hybrid office-based & work from home (WFH) approach, with some staff who are fully home-based. Employee commuting data is collected by means of a survey which is distributed to employees for completion. Historically we have elicited good response rates for these surveys. WFH emissions are calculated using refined averages per employee. This methodology has been employed to estimate both baseline and ongoing emissions.

With regards to T&D and public transport emissions, work continues to source data which will enable the inclusion of these emissions in our reporting. Public transport figures will be added to our Business Travel numbers once reliable data is available. It is likely that baseline year emissions will be updated once this data is available.

With the application of the financial control approach, the baseline emissions for FY2018-19 have been revised from 2,292 tCO₂e to 1,323 tCO₂e. Scopes 1, 2 and 3 have been historically reported as 1,062, 420 and 810 tCO₂e respectively.

Emissions	Emissions Source	Units	Quantity	tCO ₂ e	TOTAL tCO ₂ e
Scope 1	Diesel	litres	141,482	372	405
	Petrol	litres	15,105	33	
Scope 2	Electricity	kWh	414,466	117	117
Scope 3	Business Travel	miles	205,438	59	801
	Waste generated in operations	tCO ₂ e	0.28	0.28	
	Employee Commuting (including WFH emissions)	tCO ₂ e	742	742	
	Upstream (T&D)	tCO ₂ e	0.00	0.00	
	Downstream (T&D)	tCO ₂ e	0.00	0.00	
Total Emissions tCO ₂ e					1,323

Current Emissions Footprint

Current Year: 2024-25 (1st April 2024 to 31st March 2025)

The emissions from CSG's most recent financial year, 2024-25, were 1,588 tCO₂e. This constitutes a 20% increase against the baseline year, 2018-19. However, it is worth noting that CSG's FTEs have increased by almost 300% in the same period.

Within Scope 3, Business Travel has seen the highest % change - this is due to the continued addition of new entities and a covid readjustment/return to work scheme. CSG have optionally included WFH emissions within the Scope 3 Employee Commuting emissions, and the 908 tCO₂e within this category comprises of 614 tCO₂e from commuting and 294 tCO₂e from homeworking. Employee Commuting emissions have increased by 22% from the base year, mainly due to the increase in FTE numbers.

It is worth noting that despite a trebling in the total number of FTE between 2018-19 and 2024-25, the commuting element of this emission category is approximately 16% lower in 2024-25 due to CSG policies allowing an increase in hybrid and homeworking.

CSG have not calculated emissions associated with upstream and downstream T&D and public transport data and continue to explore methods for doing so. These emissions will be included once reliable data has been sourced and refined. We are also working to source reliable data for the use of public transport.

Emissions	Emissions Source	Units	Quantity	tCO ₂ e	TOTAL tCO ₂ e
Scope 1	Diesel	litres	143,457	360	387
	Petrol	litres	13,007	27	
Scope 2	Electricity	kWh	344,078	71	71
Scope 3	Business Travel	miles	716,006	222	1,130
	Waste generated in operations	tCO ₂ e	0.12	0.12	
	Employee Commuting (including WFH emissions)	tCO ₂ e	908	908	
	Upstream (T&D)	tCO ₂ e	0	0	
	Downstream (T&D)	tCO ₂ e	0	0	
Total Emissions tCO ₂ e					1,588

Reduction Targets

CSG had a target to reduce our electricity and gas emissions by 10% per m² of floor area between 2018-19 and 2021-22 as part of our ISO14001 objectives. Progress was monitored and the target was achieved, with an overall emissions reduction of 32%.

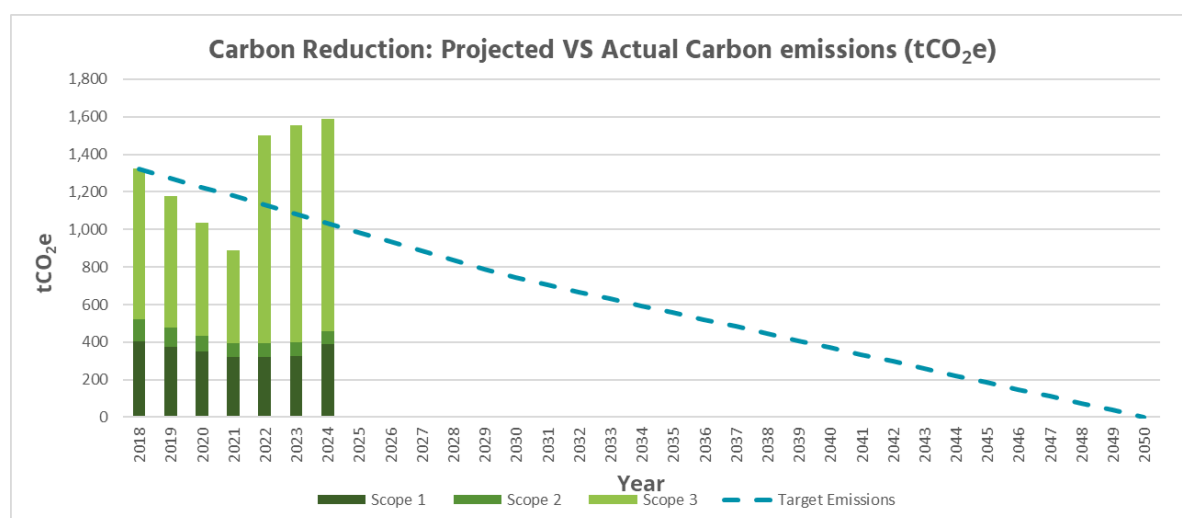
To continue our progress toward achieving Net Zero, we have the following carbon reduction targets:

- CSG have a target to reduce our **Scope 1**, **Scope 2** and **Scope 3** emissions, related to business travel and waste generated in operations, to **0** by 2030.
- We aim to reduce **Scope 3** emissions related to Employee Commuting, Upstream and Downstream T&D to **0** by 2050.

As such, we aim to reduce carbon emissions to **742 tCO₂e** by 2030, which reflects the amount of emissions remaining in relation to employee commuting and homeworking. This equates to a reduction of **44%** from our baseline year, 2018-19.

Under our revised scope, to date, we have reduced emissions by 4% for both Scope 1 and 2, in comparison to the baseline year of 2018-19. Our Scope 3 emissions have increased by approximately 40% over the same period due to the increase in headcount and subsequent rise in emissions from business travel, employee commuting and homeworking.

Emissions and targets may have to be reviewed once we have calculated emissions associated with Upstream and Downstream T&D (as we did with Employee Commuting). Progress against our revised reporting scope and emissions reduction target can be seen in the chart below.



Carbon Reduction Projects

Historical

CSG have held ISO 14001 accreditation since 2013 which approves and certifies our Environmental Management System. As a part of the work completed towards maintaining this accreditation, and through other carbon reduction projects, we have implemented the following measures since 2018-19 to reduce emissions:

- Implemented an electronic customer contract system across CSG to reduce the use of paper contracts. This has a beneficial impact of reducing ink and electricity through printing as well as reducing paper usage.
- Introduced an uplift on lease car allowances for colleagues taking an Electric Vehicle through our internal fleet scheme.
- Retained a hybrid and home working approach, where appropriate, which has significantly reduced ongoing commuting emissions.
- Retained remote meetings as a standard with suppliers and customers, significantly reducing business travel.
- Rationalised our property portfolio and continue to review the portfolio to ensure that sites are well utilised and we are not occupying, heating and lighting sites where not required.
- Installed EV charge points at 2 of our sites. This provision facilitates and encourages electric vehicle take up amongst our staff, reducing business travel and commuting emissions.
- Replaced petrol and diesel equipment used by our Landscapes services with electric alternatives.

Current and Upcoming Projects

Site decarbonisation surveys have been carried out at two of our highest emitting buildings. At one site, recommendations, such as heating system replacement and solar PV installation, were pursued however CSG did not have the necessary authority to implement these projects. This led to discussions concerning control approaches and the adoption of the financial control methodology.

The other survey was conducted at our Abbey Wood Road site, which CSG own, and this led to a number of initiatives being identified:

- **LED Lighting** – lighting is now all LED throughout the building and car parking areas.
- **Solar PV** – the potential for an array approaching 50kWp was identified. Significant progress has been made in developing the project, with designs, planning permission, structural surveys and procurement all completed. We are pleased to announce that installation work is scheduled to start this month (Sept 25) and we are greatly looking forward to generating and utilising renewable energy on site.
- **Air Handling and Heating** – the building has centralised, mechanical heating and ventilation, which uses direct electrical batteries to provide heating to the building. This system is now outdated and CSG are developing a project to upgrade it, integrating air source heat pumps into the design to reduce electricity demand, emissions and improve building comfort conditions for our employees. We are currently finalising designs and are looking to launch procurement in the upcoming months.

As Abbey Wood Road is already an all-electric building, these initiatives aim to reduce electricity consumption as far as possible and then supply electricity from on-site, renewable generation. The PV array is forecast to generate over 50MWh of electricity each year, accounting for almost 20% of current use (this percentage is expected to rise following the implementation of the AHU project). These projects aim to significantly reduce the Scope 2 emissions associated with our head office.

To address Scope 3 emissions, CSG are intending to take the following action:

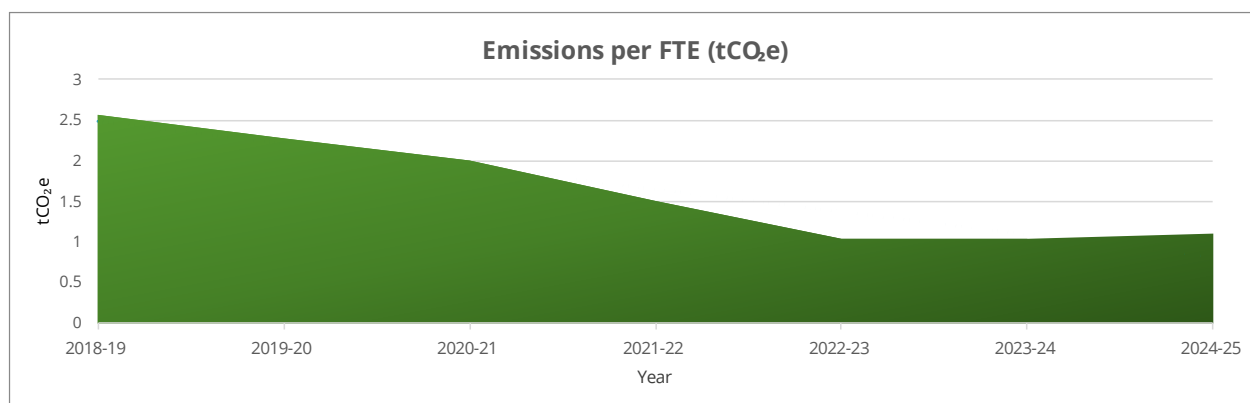
- **EVCP installation** – in addition to the existing charge points mentioned above, CSG are proposing to install 4 further charge points for staff use. We are aiming to complete installation by the end of the financial year, reducing ongoing scope 3 emissions.

Although we have had a substantial rise in FTE numbers and associated Scope 3 emissions, we have reduced Scope 1 and 2 emissions and will continue to work to reduce all emissions further. Significant effort and resources continue to be focused on these endeavours.

Emissions Intensity

Despite the Group's growth, the application of the above measures has contributed to a reduction in emissions per FTE. The chart below shows emissions per FTE (for CSG's UK-based employees, excluding JVs) under a financial control approach, which CSG have selected as an appropriate emissions intensity metric to monitor progress.

Emissions intensity has fallen from 2.56 tCO₂e in 2018-19 to 1.10 tCO₂e in 2024-25, equating to a 57% reduction. Between 2023-24 and 2024-25, emissions for CSG have increased by 29 tCO₂e and headcount has reduced by 47, resulting in a small rise in emission intensity.



CSG continue to develop and update our plan to reach Net Zero by 2030. This is termed our Carbon Descent Plan and will be an evolving strategy that sits alongside our Carbon Reduction Plan (these documents are separately compiled due to the differing purposes, scopes and timescales as described above).

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 Standard. The appropriate Government conversion factors for greenhouse gas company reporting have been used.

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) Standard.

This Carbon Reduction Plan has been reviewed and signed off by CSG Executive Board and is signed on behalf of Commercial Services Group by the Chief Operating Officer, **Sally Richards**.



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To find out more about CSG's Carbon Reduction Plan please contact LASER Zero Carbon Future team on 0800 484 0840 or email zerocarbon@laserenergy.org.uk.