Morgan Lovell



Scope 3 emissions report 2025

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Dr Joe Croft
Sustainability Director

This is Morgan Lovell's 4th annual Scope 1, 2 and 3 carbon report. Again, the vast majority (89%) of our carbon is tied up in two areas, 'Purchased Goods and Services' (41%) and 'Use of Sold Products' (48%). As a result, this continues to be where the majority of focus, time and resource lie. We have delivered a meaningful reduction from both an absolute (13%) and intensity (23%) perspective, in 'Purchased Goods and Services' (most of which is the products we buy and install on our projects). Though this is getting harder each year as many of the easy wins have been taken and the better decisions through awareness of impact are already being done. More manufacturers are making their lower carbon offering their primary offering, so while we are pleased with the significant progress made, we are all too aware that next year (or maybe the year after) emissions will likely plateau if we don't grapple with some of the harder reductions, specifically, driving significantly more reused products onto our projects.

The 'Use of Sold Products' remains a tougher category for us to report on and affect. It absolutely is part of our emissions and we want to transparently report on them, but it is tricky to get good (or even bad) data on actual usage of energy in the spaces we deliver. We continue to use industry benchmarks, so the number correlates with the m^2 of projects delivered (with the additional wrinkle that the government's carbon benchmarks have been reduced to reflect the decarbonisation of the grid).

We have flagged in previous years that, for a business like ours (we are sure this will be true for many others), Scope 1 and 2 are immaterial and it's all about Scope 3. But this year, we go further and flag that most of Scope 3 is immaterial too (see Employee Commuting, Business Travel etc). It's nearly all about the products we install for Embodied (Purchased Goods and Services) and Operational (Use of Sold products).

So what's next?

It wouldn't be 2026 without a reference to what AI is going to do to help or hinder us. As our business embraces new technology and AI, it's important that we correctly capture the true carbon impact of our AI use. This year's report doesn't, next year's will need to. Depending upon its materiality, we may need to think about how and when we do and don't use AI. The more positive take is that we would hope that over time AI will make reporting and analysis easier, quicker and more accurate, so that we can spend more time working on reduction and less time reporting. It could make the availability of data easier so that decisions can be made with all the information.

We have Carbon Forums with our designers and technical services managers (TSMs) planned for the new year to help spread best practice, lessons learned and understand what new guidance we could create to support them in better carbon decision making.



We continue to run our annual Climate Change and Nature supply chain questionnaire to understand the supply chain's maturity and to indicate that we are invested and interested in their progressing lower carbon (and lower nature impact) offerings.

We have supply chain training sessions planned for the new year to run through our 8 steps guide and support them in undertaking and understanding their own Scope 1, 2 and 3 impact.

The new SKA Offices scheme which we are seeing being embraced by the industry, is providing a framework for projects to drive down their carbon impact which, with enough take up, will ultimately positively impact our own Scope 3 numbers.

If you are working in fit out and are committed to driving down carbon, we salute you and hope you find this report useful. If you are working in fit out but haven't yet done much on carbon, today is the best day to start.

There is much work to be done.

Dr Joe Croft
Sustainability Director

Scope 1 emissions	2024 (tCO_2e) (reported figures)	2024 (tCO_2e) (recalculated)	2025 (tCO_2e)	% change	% of total emissions
Why the actual change: In 2025, Morgan Lovell did not procure any fuel, and had no refrigerant leaks to account for, resulting in a 100% reduction in these emissions.	0.68	0.68	**0.00**	↓ **-100%**	**0.00%**

Scope 2 emissions	2024 (tCO_2e) (reported figures)	2024 (tCO_2e) (recalculated)	2025 (tCO_2e)	% change	% of total emissions
Location based **Why the methodology change:** Following discussions internally with Morgan Sindall, and with our auditor, we agreed that site energy doesn't sit in Scope 2, as we don't buy it ourselves. We decided to move it from Scope 2 to category 3.8 Upstream Leased Assets. **Why the actual change:** The Gov carbon conversion factor for grid electricity decreased in 2025, resulting in this reduction in emissions.	135.23	43.33	**34.10**	↓ **-21.31%**	**0.17%**
Market based **Why the methodology change:** Site energy has moved to 3.8 Upstream Leased Assets. The remaining office energy is procured from sources covered by a REGO. In the market based methodology, this is counted as zero emissions'	91.90	0.00	**0.00**	**-**	**0.00%**

Scope 3 emissions	2024 (tCO_2e) (reported figures)	2024 (tCO_2e) (recalculated)	2025 (tCO_2e)	% change	% of total emissions
Why the methodology change: Following discussions internally with Morgan Sindall, and with our auditor, we agreed that site energy doesn't sit in Scope 2, as we don't buy it ourselves. We decided to move it from Scope 2 to category 3.8 Upstream Leased Assets.	28,112.83	28,174.47	**20,564.44**	↓ **-27.01%**	**99.83%**

Categories 3.2 (Capital Goods), 3.9 (Downstream Transportation and Distribution), 3.10 (Processing of Sold Products), 3.13 (Downstream Leased Assets), 3.14 (Franchises) and 3.15 (Investments) are not relevant to Morgan Lovell's business activities. Therefore, no emissions have been reported for these categories.

3.1 Purchased goods and services	2024 (tCO_2e) (reported figures)	2024 (tCO_2e) (recalculated)	2025 (tCO_2e)	% change	% of total emissions
Why the actual change: We are enthused that we have managed to decrease our emissions in this category even though we have seen an increase in turnover, demonstrating we are separating carbon emissions from turnover. This is down to various reasons, including improvements in low carbon materials provided by our supply chain and a focus on incorporating reused items in our fit outs.	9783.93	N/A	**8482.17**	↓ **-13.31%**	**41.18%**

3.3 Fuel and energy related activities not included in scopes 1 and 2	2024 (tCO_2e) (reported figures)	2024 (tCO_2e) (recalculated)	2025 (tCO_2e)	% change	% of total emissions
Why the methodology change: Last year we accounted for site energy in scope 2, and so the WTT and T&D emissions of that energy were included within this category (3.3). This year, site energy was moved to category 3.8 - Upstream Leased Assets - see explanation in scope 2. Due to this, it is no longer accounted for in 3.3; as based on the GHG Protocol this only accounts for Scope 1 and 2 emissions. **Why the actual change:** This is directly linked to scope 1 and 2. We procured less fuel and energy this year, and so this has led to a drop in the emissions in this category.	44.45	14.20	**13.18**	↓ **-7.19%**	**0.06%**

3.4 Upstream transportation and distribution	2024 (tCO_2e) (reported figures)	2024 (tCO_2e) (recalculated)	2025 (tCO_2e)	% change	% of total emissions
Why the actual change: This calculation is based on transport of products from tier 1 suppliers. In 2025 our spend with these suppliers increased by 40%, mainly as part of our furniture side of the business. In addition, in 2025 we received a greater depth of transport data from suppliers, especially from one of our key suppliers of timber and building materials. Compared to 2024, this resulted in a higher benchmark which we use to calculate the transport related emissions from our tier 1 suppliers. Together this resulted in a high increase in transport related emissions.	155.57	N/A	**375.07**	↑ **+141.09%**	**1.82%**

3.5 Waste generated in operations	2024 (tCO_2e) (reported figures)	2024 (tCO_2e) (recalculated)	2025 (tCO_2e)	% change	% of total emissions
Why the actual change: In line with our increase in turnover, we produced more waste in 2025 compared to 2024. This resulted in a slight increase in the associated carbon emissions for waste.	63.66	N/A	**66.65**	↑ **+4.69%**	**0.32%**

3.6 Business travel	2024 (tCO_2e) (reported figures)	2024 (tCO_2e) (recalculated)	2025 (tCO_2e)	% change	% of total emissions
Why the actual change: This increase is reflective of an increase in the amount of work that we did in the last year, which required a greater amount of business travel compared to last year	110.61	N/A	**143.25**	↑ **+29.51%**	**0.70%**

3.7 Employee commuting	2024 (tCO_2e) (reported figures)	2024 (tCO_2e) (recalculated)	2025 (tCO_2e)	% change	% of total emissions
Why the methodology change: Upon comparing the results from the 2024 and 2025 commuting surveys, there was an entry which showed considerably higher diesel car miles in 2024 for a member of staff. This in turn impacted the calculations and benchmarks, exaggerating the diesel car emissions. This was amended to accurately show the actual mileage, and the numbers were altered in line with this. **Why the actual change:** Due to the growth of our business in 2025, the number of office-based staff we employed rose significantly. This was reflected in our commuting survey which showed a significant increase in the mileage undertaken in cars as part of commutes of our office-based staff	169.17	167.50	**290.58**	↑ **+73.48%**	**1.41%**

3.8 Upstream leased assets	2024 (tCO_2e) (reported figures)	2024 (tCO_2e) (recalculated)	2025 (tCO_2e)	% change	% of total emissions
Why the methodology change: As per scope 2 emissions, it was agreed to move site energy to this category as we do not pay for it. **Why the actual change:** The benchmark we produced for 2025, based on site energy records for actual usage, was higher this year. This coupled with a considerable increase in turnover in 2025 (the calculation is based on turnover) resulted in an increase for this category.	N/A	91.90	**111.63**	↑ **+21.47%**	**0.54%**

3.11 Use of sold products	2024 (tCO_2e) (reported figures)	2024 (tCO_2e) (recalculated)	2025 (tCO_2e)	% change	% of total emissions
Why the methodology change: This methodology is based on calculating annual energy consumption of projects we delivered in the reporting using EUI benchmarks and m2 of delivered projects. In 2025 we delivered less m2 overall of projects, which coupled with a lower Gov carbon factor for grid energy meant a big reduction in this category	16443.19	N/A	**9811.17**	↓ **-40.33%**	**47.63%**

3.12 End of life treatment of sold products	2024 (tCO_2e) (reported figures)	2024 (tCO_2e) (recalculated)	2025 (tCO_2e)	% change	% of total emissions
Why the methodology change: The built in end of life emissions factors in CarboniCa were updated to reflect industry benchmarks, this resulted in a decrease in emissions.	1342.24	N/A	**1270.75**	↓ **-5.33%**	**6.17%**

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