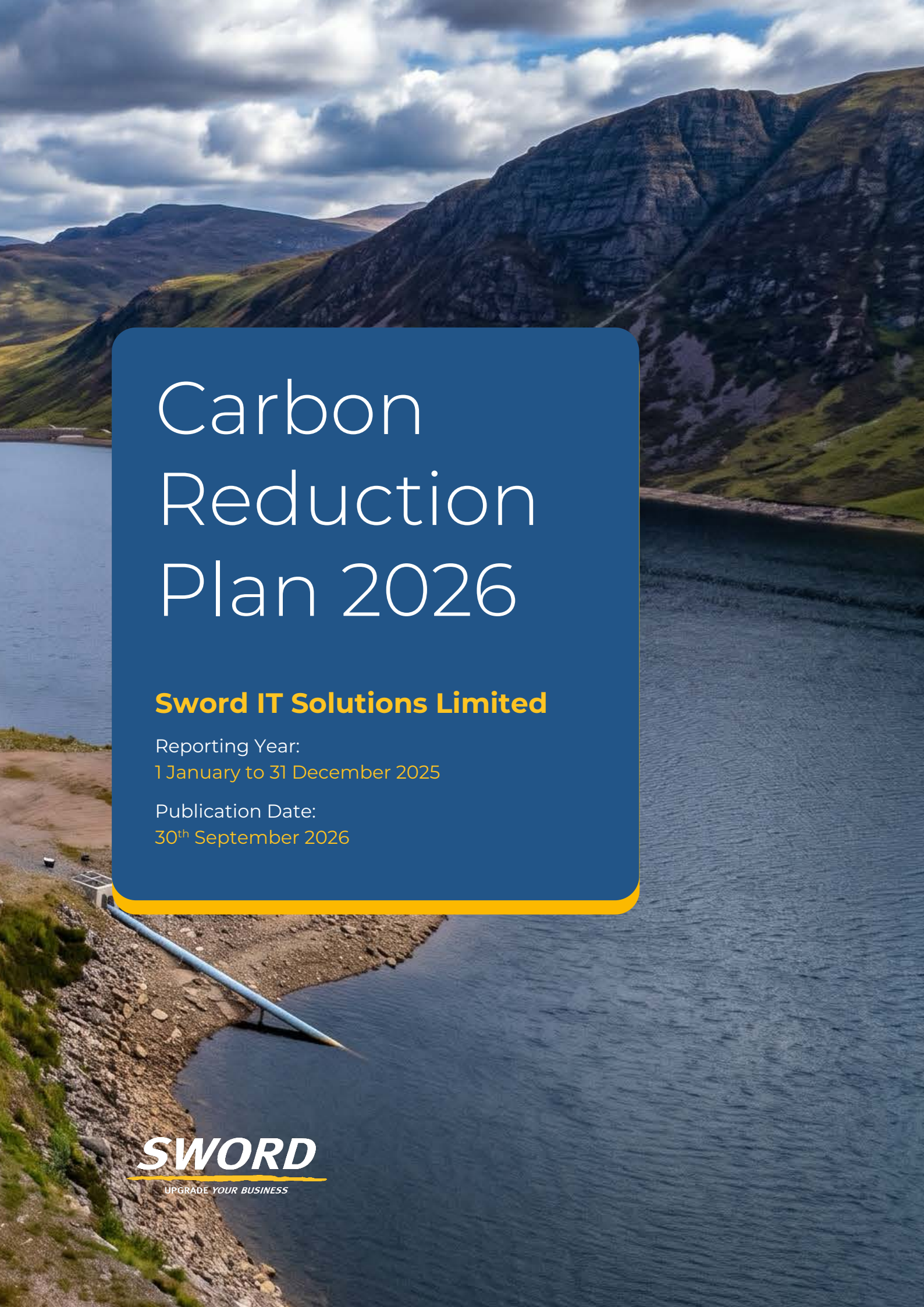


Carbon Reduction Plan 2026

Sword IT Solutions Limited

Reporting Year:
1 January to 31 December 2025

Publication Date:
30th September 2026

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2025 at a glance

-32.5%	-55.2%	114.59	2050
Carbon intensity (tCO2e per £m revenue) compared with 2024	Scope 1 emissions compared with 2024	Scope 1 and 2 emissions in 2025 (tCO2e)	Our Net Zero target year

Commitment to achieving Net Zero

Sword IT Solutions Limited is committed to achieving Net Zero greenhouse gas emissions by 2050. We support that commitment with a structured approach to carbon reduction: measuring our emissions each year, setting measurable targets and improving continuously.

As part of the wider Sword Group, a signatory of the United Nations Global Compact since 2011, we uphold its ten principles covering human rights, labour, the environment and anti-corruption. These principles, together with the UN Sustainable Development Goals, form the basis of our Corporate Social Responsibility strategy and guide how we respond to the environmental and social challenges of our time.

During 2025 we completed a three-year emissions baselining exercise covering 2023 to 2025. This gives us a sound foundation for future carbon reduction planning, and during 2026 we will use it to set formal reduction targets. We continue to support the Sword Group's commitment to achieving Net Zero by 2050.

About Sword

Sword is the trusted partner for critical technology. We deliver the operational resilience and practical innovation that are essential for the most demanding enterprise and critical national infrastructure environments. As a professional services organisation, our work is knowledge-based and digital, delivered from our offices or on site by our consultants.

Baseline emissions footprint

Baseline emissions are a record of the greenhouse gases produced before strategies to reduce emissions were introduced. They are the reference point against which we measure reduction.

Baseline period: 2023 to 2025

In 2023 we began calculating our carbon emissions in accordance with the Greenhouse Gas (GHG) Protocol, in line with internationally recognised standards. That same year we launched our Environmental, Social and Governance (ESG) programme, starting with a gap analysis to identify the actions needed to support our Net Zero ambitions.

The baselining exercise that followed has established accurate data capture and reporting processes. It began as a two-year exercise (2023 to 2024) and was extended to include 2025, giving us three years of data on which to base realistic targets. We work closely with

the Sword Group ESG Steering Group to keep our approach aligned across the organisation.

Baseline emissions, 2023 to 2025 (tCO2e)

Emissions	2023	2024	2025
Scope 1	13.72	29.52	13.22
Scope 2	49.49	66.10	101.38
Scope 3 (categories 1, 6 and 7)	520.65	539.23	672.89
Total emissions	**583.86**	**634.86**	**787.48**

Scope 3 comprises purchased goods and services (category 1), business travel (category 6) and employee commuting (category 7).

Current emissions reporting

Current year: 2025

Our 2025 emissions have been calculated in line with the GHG Protocol and cover all five of our UK sites. Reporting boundaries are defined using the operational control approach; in general, the emissions reported are the same as would be reported on a financial control basis. Scope 1 and 2 figures are taken from utility bills sourced directly from our suppliers and match those disclosed under Streamlined Energy and Carbon Reporting (SECR) in our Directors' Report for the year ended 31 December 2025.

2025 emissions compared with 2024 (tCO2e)

Emissions	2025	2024	Change
Scope 1 (oil and diesel)	13.22	29.52	-55.2%
Scope 2 (electricity)	101.38	66.10	+53.4%
Scope 1 and 2 subtotal	**114.59**	**95.62**	**+19.8%**
Scope 3 (categories 1, 6 and 7)	672.89	539.23	+24.8%
Total emissions	**787.48**	**634.86**	**+24.0%**

Energy use (kWh)

Energy source	2025	2024	Change
Oil and gas	71,872	160,541	-55.2%
Electricity	434,837	283,539	+53.4%
Total energy use	**506,709**	**444,080**	**+14.1%**

Carbon intensity

Measure	2025	2024	Change
Scope 1 and 2 emissions per £m revenue (tCO2e/£m)	1.29	1.91	-32.5%
Revenue (£m)	88.79	50.01	+77.6%

Our Scope 1 and 2 carbon intensity fell by around a third in 2025. This was principally driven by significant revenue growth, which outpaced the increase in operational emissions and improved our carbon efficiency relative to business activity.

Carbon intensity fell by 32.5% in 2025, while revenue grew by 77.6%.

In absolute terms, Scope 1 emissions more than halved as oil and gas use fell, while electricity use and the associated Scope 2 emissions rose as office occupancy increased with colleagues returning to office-based working. Consolidating our Aberdeen operations into a single office made more efficient use of space and resources, and we continued to review our property portfolio to align occupancy with operational needs and optimise energy use.

Scope 3 emissions, covering purchased goods and services, business travel and employee commuting, rose by 24.8% to 672.89 tCO2e in 2025 and made up 85.4% of our total reported footprint. Total emissions rose by 24.0% to 787.48 tCO2e. Relative to revenue, however, our total footprint fell by 30.1%, from 12.70 to 8.87 tCO2e per £m. The size of our value chain emissions is why working with our suppliers is one of our objectives for 2026.

Emissions reduction targets

With our baseline now complete, our priority for 2026 is to develop a greenhouse gas reduction roadmap and supporting environmental KPIs, including considering alignment with the principles of the Science Based Targets initiative (SBTi). This will set the formal reduction targets that take us towards Net Zero by 2050.

Until those targets are in place, our interim aim is to maintain or improve our Scope 1 and 2 carbon intensity relative to revenue. We recognise that absolute Scope 1 and 2 emissions rose in 2025, and reducing electricity consumption across our office portfolio is a central part of our plans for 2026.

Carbon reduction projects

Completed carbon reduction initiatives

Since starting our ESG programme we have:

- Supported a precautionary approach to environmental challenges
- Undertaken initiatives to promote greater environmental responsibility
- Encouraged the development and diffusion of environmentally friendly technologies
- Encouraged employees to choose lower-emission vehicles, such as hybrid and electric cars

- Purchased energy-efficient equipment for our offices where appropriate
- Replaced heating, ventilation and air conditioning systems with energy-efficient equipment where possible
- Adopted behavioural change measures where possible

Efficiency measures taken in 2025

During 2025 we continued to put in place measures to improve our environmental performance and support our Net Zero ambitions.

Area	What we did
Leadership and governance	Strengthened sustainability governance by appointing a Chief Sustainability Officer to lead the Group's sustainability strategy, oversee greenhouse gas reduction initiatives and drive delivery of our Net Zero objectives.
Office estate rationalisation	Consolidated office locations, including moving our Aberdeen operations into a single office, and continued to review our property portfolio so that space and energy use match business needs.
Energy management	Completed a multi-year assessment of energy consumption to establish a robust baseline and identify opportunities to reduce electricity use.
Strategic integration	Further embedded sustainability in business planning and decision-making, so that environmental performance forms part of our long-term objectives.
Sustainable procurement	Continued to build environmental considerations into procurement, reviewed supplier sustainability practices and engaged landlords and suppliers on increasing the use of renewable energy.
Stakeholder communication	Communicated our carbon footprint, emissions reporting and sustainability objectives openly to key stakeholders.
Target setting	Continued to develop a structured approach to emissions reduction, in line with recognised good practice and our Net Zero commitment.
Collaborative engagement	Worked with customers, suppliers and the wider Sword Group to understand emission reduction opportunities and encourage more sustainable practices across the value chain.
Awareness and training	Delivered climate awareness communications and training to help colleagues understand our sustainability objectives and act on them.
Sustainable travel	Introduced an employee electric vehicle scheme and updated business travel guidance to encourage the most carbon-efficient option where practical.

Objectives for 2026

We remain committed to achieving Net Zero by 2050. Our three-year baseline now gives us a reliable picture of where our emissions come from, and our objectives for 2026

concentrate on the areas where we can make the greatest difference: electricity use in our offices, our property estate, our supply chain and how our people travel.

Each objective below has a clear action and a measure we will report against, so that progress can be seen as well as stated. In 2026 we will:

Objective	What we will do	How we will measure progress
Reduction targets and science-based alignment	Use our three-year baseline (2023 to 2025) to build a greenhouse gas reduction roadmap and environmental KPIs, assess alignment with the principles of the Science Based Targets initiative (SBTi), and set formal reduction targets on our path to Net Zero by 2050.	Roadmap and KPIs agreed by the Executive Team, with formal targets published in our next Carbon Reduction Plan.
Energy efficiency	Put into practice the energy reduction initiatives identified through our baselining exercise, starting with electricity, which accounted for most of our Scope 1 and 2 emissions in 2025. We will monitor use at each office so we can act promptly where it rises.	Electricity use by site and in total, measured against our 2025 consumption of 434,837 kWh.
Sustainable property strategy	Complete the review of our UK office estate and carry through the agreed measures, building on the consolidation of our Aberdeen operations, so that our space, occupancy and energy use reflect how we actually work.	Estate review completed and agreed measures in place, with energy use tracked at each site before and after changes.
Sustainable procurement and supply chain	Work more closely with our suppliers to improve transparency of their environmental performance, build sustainability further into how we buy, and identify practical ways to reduce emissions across our value chain, which accounts for the large majority of our footprint.	Key suppliers sharing environmental data, reduction opportunities acted on, and purchased goods and services emissions tracked year on year.
Employee engagement and travel	Raise awareness of our sustainability objectives through targeted communications and training, and make lower-carbon travel the easier choice by promoting our employee electric vehicle scheme and carbon-efficient business travel wherever practical.	Communications and training delivered, electric vehicle scheme uptake, and business travel and commuting emissions year on year.
Carbon efficiency	Keep our carbon intensity at or below its 2025 level as the business grows, through targeted energy efficiency, operational improvements and our wider sustainability initiatives.	Scope 1 and 2 emissions per £m revenue, against 1.29 tCO2e/£m in 2025.
Governance and reporting	Strengthen sustainability governance and reporting to improve data quality, give the Board clear oversight and report openly on our progress,	Regular progress updates to the Board, with results reported in our next financial

	supported by the Group's Chief Sustainability Officer.	accounts and Carbon Reduction Plan.

Declaration and sign-off

This Carbon Reduction Plan has been prepared in line with Procurement Policy Note 006 (formerly PPN 06/21), Taking account of Carbon Reduction Plans in the procurement of major government contracts, and its associated guidance and reporting standard. Emissions have been reported in accordance with the GHG Protocol Corporate Standard, using the appropriate UK Government conversion factors for greenhouse gas reporting.

Scope 1 and Scope 2 emissions have been reported in line with SECR requirements. The relevant subset of Scope 3 emissions has been reported in line with the Carbon Reduction Plan reporting standard and the Corporate Value Chain (Scope 3) Standard. We report on the two mandatory Scope 3 categories that are relevant to our operations, business travel and employee commuting, alongside purchased goods and services. The remaining three mandatory categories have been assessed and are not applicable to Sword IT Solutions.

Sword does not procure, produce or transport physical goods as part of its core business. As a professional services organisation, our outputs are knowledge-based and digital, with minimal reliance on physical supply chains, and our office-based operations generate limited physical waste. As our operations evolve, we will continue to review the relevance of all Scope 3 categories and update our reporting accordingly.

This plan has been reviewed and approved by the Sword Executive Team.

Signed on behalf of Sword IT Solutions:

Name: Kevin Moreton

Position: Chief Executive Officer

Signature: Kevin Moreton

Date: 30th September 2026

References

GHG Protocol Corporate Standard: https://ghgprotocol.org/corporate-standard

UK Government conversion factors for company reporting: https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting

GHG Protocol Corporate Value Chain (Scope 3) Standard: https://ghgprotocol.org/standards/scope-3-standard