

ISO 14068 Verification Report

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- **Title:**
ISO 14068-1:2023 Carbon Neutrality Verification Report
- **Client:** Hubexo UKI (inc. Hubexo North UK Ltd & Hubexo South UK Ltd)
- **Verification Body:** SQS
- **Reporting Period:** 01 January 2024 – 31 December 2024
- **Version:** Final
- **Date Issued:** 16/10/25

Executive Summary

This report presents the findings of an independent verification conducted by Sterling Quality Services Ltd (SQS) to assess the carbon neutrality claim made by Hubexo UKI for the reporting period 01 January to 31 December 2024, in accordance with the international standard ISO 14068-1:2023 - Climate Change Management - Carbon Neutrality.

Hubexo UKI (inc. Hubexo North UK Ltd & Hubexo South UK Ltd) operates as part of a wider technology group providing software platforms and services to the construction and built environment sectors. The scope of this verification covers all UK operations, including offices in Newcastle, Bournemouth, London and Northern Ireland, as well as the operational activities of both Hubexo North UK Ltd and Hubexo South UK Ltd.

The purpose of this verification was to assess:

- The accuracy and completeness of Hubexo UKI's greenhouse gas (GHG) emissions data;
- The appropriateness of the methodologies and emission factors used;
- The credibility of the emissions reduction measures in place;
- The alignment of Hubexo's activities with the requirements of ISO 14068-1:2023.

All emissions across Scope 1, Scope 2, and material Scope 3 categories were included, calculated using a combination of actual data and modelled estimates, and supported by

auditable evidence. The organisation applied emissions factors from the UK Government's GHG Conversion Factors (DEFRA/DESNZ), supplemented by the EcoAct 2020 Homeworking White Paper and additional sources such as Climatiq where required.

A two-phase verification process was undertaken:

- A 100% data and methodology review conducted by the lead verifier;
- A 15% secondary QA sampling performed by an independent assessor to ensure accuracy, repeatability, and reviewer consistency.

Key findings include:

- The reported carbon footprint is materially accurate, well-evidenced, and aligned with internationally recognised methodologies
- Hubexo UKI has taken credible steps toward emissions reduction, particularly through its planned phase-out of natural gas, improved commuting data, and development of supplier engagement tools
- Following completion of verification, Hubexo UKI submitted verified offsetting documentation confirming the retirement of 900 tCO₂e of Gold Standard VERs (GS672 – Düzova Wind Power Project, Turkey). This retirement covers all residual emissions for the 2024 reporting period and completes the organisation's carbon neutrality claim

Following the conclusion of the data verification phase, Hubexo UKI submitted offsetting documentation confirming the retirement of 900 tonnes of CO₂e via Gold Standard VERs from the Düzova Wind Power Project (Turkey).

Based on the evidence reviewed and the confirmation of offsetting, Hubexo UKI has substantiated a valid and credible claim of carbon neutrality for the 2024 reporting period.

Verification Objectives & Scope

Element	Description
Client Entity	Hubexo UKI (inc. Hubexo North UK Ltd & Hubexo South UK Ltd)
Reporting Period	01 Jan – 31 Dec 2024
Geographic Scope	UK operations only with business travel overseas
Standard Applied	ISO 14068-1:2023

Scopes Verified	Scope 1, Scope 2, and relevant Scope 3 (categories 1, 2, 6, 7, 8, 11)
Organisational Boundary	All-inclusive - no exclusions declared
Conformity Assessment Type	Independent, limited assurance

Methodology

This verification exercise was conducted in alignment with the principles of ISO 14068-1:2023, supported by best practice guidance from the Greenhouse Gas Protocol and ISO 14064-3:2019 (where applicable). Our approach ensured that the carbon neutrality claim made by Hubexo UKI for the achievement period 01 January - 31 December 2024 was assessed for accuracy, transparency, and completeness.

The offsetting strategy was reviewed as part of the verification process. Hubexo UKI submitted evidence of carbon credit retirement for the full residual emissions total of 900 tCO₂e. Credits were retired through the Gold Standard registry, with documentation confirming the use of VERs from a wind energy project located in Turkey.

Overview of Approach

The verification process consisted of two structured phases:

Primary Verification (QC)

Conducted by the designated verifier, this phase involved a 100% review of all reported emissions across Scopes 1, 2, and 3. The review assessed:

- The methodologies used to define and categorise emissions sources
- Activity data (e.g. kWh, km travelled, £ spend)
- Emission factor application and CO₂e conversion
- Spreadsheet calculations, formula logic, and aggregations
- Organisational boundary treatment, materiality thresholds, and reporting consistency

This full review ensured that every reported emission had a traceable, reproducible calculation pathway backed by either actual or modelled data.

Evidence Review

Following the initial emissions check, a comprehensive document audit was conducted to cross-check:

- Invoices, meter readings, and travel records
- Supplier declarations (e.g. renewable electricity tariffs)
- Survey responses (e.g. commuting, homeworking)
- Emissions modelling sources and justifications

All categories were found to be documented and evidence-supported.

Quality Assurance (QA) Phase

A separate QA assessor conducted a secondary verification, reviewing 15% of all emissions reported across each category. This process was designed to ensure:

- Reviewer consistency
- Calculation repeatability
- Appropriate use of emissions factors
- Transparency of assumptions

Any inconsistencies identified during QA were minor, promptly resolved, and documented in the verification log. No material discrepancies were found.

Emission Factors and Tools Used

Hubexo UKI used conversion factors and models from reputable, government-endorsed or internationally recognised sources:

Source	Application
UK Government GHG Conversion Factors for Company Reporting (2024) — published by DESNZ / DEFRA	Primary source for all Scope 1, 2 and 3 emissions where actual data was available

EcoAct / NatWest / Lloyds White Paper (2020)

Used to model homeworking emissions per employee

ClimatelQ

Used to supplement and cross-reference conversion factors in areas not directly covered by DEFRA

These sources are considered appropriate, reliable, and valid for ISO 14068 verification.

Verification Principles

The assessment adhered to the following verification principles:

- **Accuracy** – Ensuring emissions are calculated with a justifiable level of precision
- **Transparency** – Methodologies, factors and assumptions were traceable
- **Completeness** – All material emission sources were included
- **Consistency** – Emission sources and methodologies matched those used in prior reporting (where applicable)
- **Relevance** – Focus was placed on material emissions contributing to the carbon footprint

Emission Source Review

Create a **table or section per category** with:

Emission Source	Scope & Category	Verification Status	Notes
Gas usage	Scope 1	Verified	Newcastle only; DEFRA 2024 EF used
Electricity	Scope 2	Verified	100% REGO-backed supply
Refrigerants / AC	Scope 1	Verified	Quarterly maintenance logs showed no leakage

Capital goods	Scope 3.2	Verified	Spend-based with SIC alignment
Employee commuting	Scope 3.7	Verified	Based on survey of 54 employees
Flights	Scope 3.6	Verified	Travel agent records used with DEFRA bands
Rail	Scope 3.6	Verified	Ticket log data + km-distance calc
Hotel stays	Scope 3.6	Verified	DEFRA hotel kgCO ₂ e/day conversion
Home working	Scope 3.13	Verified	Based on EcoAct/NatWest model
Data centres	Scope 3.8	Verified	AWS calculator outputs used
Purchased goods/services	Scope 3.1	Verified	Spend-based approach with emission factor mapping

Include appendix references if applicable.

Quality Control (QC) and Quality Assurance (QA)

Overview

To ensure the accuracy, integrity, and repeatability of verification outcomes, a two-tier QA/QC framework was applied throughout this engagement.

This framework is designed to meet the verification rigour expected under ISO 14068-1:2023 and aligns with good practice guidance in ISO 14064-3:2019.

Quality Control (QC) - Primary Verification

The Quality Control phase was carried out by the lead verifier and involved a full (100%) review of all data submitted by Hubexo UKI.

Key QC activities included:

Validation of Data Sources

- Confirming authenticity of primary evidence such as gas and electricity invoices, travel agent booking records, supplier correspondence, and employee survey results.

Calculation and Conversion Checks

- Re-performing CO₂e calculations for every emissions category using the stated emission factors.
- Verifying unit conversions, rounding methods, and spreadsheet formula integrity.

Boundary and Scope Assessment

- Ensuring all relevant Scope 1, 2, and 3 categories were included and that organisational boundaries matched the declared scope in the QES.

Methodology Alignment

- Confirming that each emission source applied the correct factor from recognised datasets (DEFRA/DESNZ 2024, EcoAct 2020, ClimateIQ).

Error Logging

- Any variances, inconsistencies, or data gaps were recorded in a verification log, categorised by type (data entry, calculation, or assumption), and resolved collaboratively with the client prior to QA review.

Quality Assurance (QA) - Independent Secondary Review

Following QC completion, an **independent QA assessor** conducted a structured secondary assurance review.

Scope of QA Review:

- A **15 % randomised sample** of all verified emission records from each category (Scopes 1–3).
- The QA assessor re-checked original evidence, data transcriptions, emission-factor selection, and CO₂e outputs.

Objectives:

- Confirm that verification conclusions were reproducible.
- Detect any systemic bias or interpretation inconsistencies.

- Evaluate overall control effectiveness within the verification process.

Findings:

- All QA-sampled records were consistent with QC outcomes.
- Minor clerical inconsistencies were identified (e.g. labelling differences) but corrected with no effect on totals.
- The QA assessor concluded that no material errors or calculation deviations were present.

QA/QC Escalation and Acceptance Thresholds

- If QA variance exceeds 10 % of the QA sample, a full re-review of the affected category is triggered.
- In this case, the variance rate was 0%, indicating a high level of data integrity and verification repeatability.

Documentation and Traceability

All QC and QA actions are logged in the Verification Log and supported by a secure evidence archive.

The following records are retained for auditability:

Record Type	Description
QC Sampling Log	100 % data review summary per emission category
QA Sampling Log	15 % random sample check and results
Evidence Index	Cross-reference of invoices, meter data, surveys, and supporting documents
Corrective Action Register	Summary of issues identified and resolutions applied

Summary Statement

Based on the results of the QC and QA reviews, the verification process applied to Hubexo UKI's 2024 emissions data demonstrates a high degree of accuracy, transparency, and repeatability.

The combined QC/QA framework provides sufficient assurance that the reported carbon footprint is materially correct and compliant with the principles of ISO 14068-1:2023.

Carbon Reduction Alignment

This section assesses whether Hubexo UKI's reported emissions reductions are genuine, measurable, and aligned with a credible long-term decarbonisation strategy, in line with the principles and requirements of ISO 14068-1:2023.

Carbon Management Plan and Baseline

As detailed in the organisation's QES, the 2024 reporting year constitutes both the baseline and the first achievement period. Accordingly, Hubexo UKI has not yet been required to demonstrate a year-on-year reduction but has laid the groundwork for measurable, structural decarbonisation across its operations.

The Carbon Footprint Management Plan (Appendix B of the QES) outlines key steps for future reduction in both operational and supply chain emissions.

Emissions Reduction Strategy: Key Focus Areas

Natural Gas and Heating Transition

- The Old Post Office, Hubexo UKI's only property dependent on natural gas heating, is a Grade II listed building with limited retrofitting potential.
- Natural gas use in this building is responsible for all Scope 1 emissions in 2024.
- The building is expected to be sold in 2025, with staff relocating to a modern, all-electric office powered by renewable electricity.
- This move is projected to fully eliminate Scope 1 emissions in future years and reduce dependency on offsetting.

Purchased Goods & Services (PG&S)

- PG&S is currently the largest single contributor to Hubexo's carbon footprint, calculated using a spend-based methodology aligned to average SIC-code emission factors.
- While appropriate as an interim method, this approach limits the ability to drive down emissions through supplier engagement.
- Hubexo has committed to introducing a new ESG tool capable of:
 - Surveying Tier 1 suppliers for actual activity-based emissions data
 - Enabling automated collation of supply chain emissions
- This capability is essential for transitioning from spend-based to evidence-based Scope 3 reporting, and will underpin future emissions reductions in this area.

Data Centres and Digital Infrastructure

- Hubexo's services rely on external cloud platforms (primarily AWS) to host and distribute digital products.
- While AWS offers tools to estimate emissions, the extent to which hosted services run on renewable energy remains partially opaque.
- Hubexo has begun to monitor and engage with key platform providers to ensure their data centre partners meet renewable sourcing targets.
- The rise of AI-based functionality introduces additional uncertainty: for example, OpenAI currently does not disclose energy source information.
- Hubexo recognises this risk and is monitoring developments in AI energy transparency, with the aim of adapting procurement practices accordingly.

Employee Commuting and Homeworking

- The 2024 carbon footprint includes estimates of commuting and homeworking emissions, based on surveys completed by 54 employees and aggregated sign-in data.
- Hubexo intends to refresh and expand this survey in 2025 to:
 - Increase participation
 - Improve accuracy of modal and distance breakdowns

- Reflect hybrid working patterns more accurately
- This will improve the granularity of Scope 3 Category 7 and 13 emissions and support evidence-based reduction initiatives (e.g. remote-first policy).

Alignment with Long-Term Targets

- Hubexo UKI operates within the decarbonisation framework of its parent company, which has committed to:
 - 50% emissions reduction by 2030
 - Net Zero by 2045
 - Targets aligned with the Science-Based Targets initiative (SBTi) for the IT and software sector
- The UKI region (including Hubexo North UK Ltd & Hubexo South UK Ltd) is expected to contribute toward these targets through:
 - Structural operational changes (e.g. moving to electric-only buildings)
 - Supply chain engagement
 - Low-carbon procurement and IT service management

Summary Assessment

Focus Area	Alignment Level	Notes
Natural gas phase-out	Strongly aligned	Elimination planned in 2025
PG&S methodology	Partially aligned	Transition to actual data needed

Data centre sourcing	Partially aligned	External transparency still evolving
Commuting & homeworking	Partially aligned	Survey update planned for 2025
Offsetting of residual emissions	Complete	900t CO ₂ e retired using Gold Standard VERs
Overall alignment	On track	Structural reductions in progress and credible offsetting

Conclusion

While 2024 represents Hubexo UKI’s first year under ISO 14068 and no prior-year reduction was expected, the organisation has established a credible, evidence-backed strategy for emissions reduction. Planned actions in 2025 and beyond are likely to yield significant decarbonisation across operational and Scope 3 emissions categories, reducing reliance on offsetting over time.

Offsetting

Hubexo UKI has offset its 2024 residual emissions of 900 tonnes CO₂e through the voluntary retirement of Gold Standard carbon credits.

Offset Summary:

Field	Detail
Total Quantity	900 tCO ₂ e

Standard	Gold Standard (GS672)
Project Name	Düzova Wind Power Project
Location	Turkey
Project Type	Grid-connected electricity generation from renewable sources
Methodology	ACM0002 - Grid-connected electricity from renewable sources
Product Type	VER (Verified Emission Reduction)
Use Case	Voluntary (no corresponding adjustment required)
Retirement Date	08 October 2025
Retirement Note	Retired in recognition of Hubexo UKI's operational carbon emissions, 2024
Serial Number	GS1-1-TR-GS672-12-2020-249 94-56499-57398

All credits were procured through the Gold Standard Registry and publicly retired. The volume of credits matches the total declared emissions for the achievement period, ensuring full offsetting of residual emissions in line with ISO 14068-1:2023.

Local Co-Benefits

In addition to the verified international offsetting of 900 tCO₂e through Gold Standard credits, Hubexo UKI has undertaken a local environmental and social initiative designed to deliver tangible community benefits.

The organisation has funded the planting of 900 native trees through the Tyne Valley Forestation Project, a UK-based nature restoration scheme located near Hubexo's Newcastle office. This action mirrors the volume of their 2024 residual emissions and serves as an additional voluntary gesture, complementing their verified carbon neutrality.

Tree planting was arranged through Carma Earth Ltd, a B Corp and UK-based environmental partner specialising in local reforestation and community engagement. Notably, this initiative also includes a social impact programme that:

- Supports military veterans through nature-based therapy and structured routes back into employment
- Provides direct local benefits in terms of biodiversity enhancement, soil stabilisation, and community green space development
- Helps reinforce Hubexo's commitment to sustainable development principles beyond strict carbon accounting

While these trees are not included as verified carbon credits, they represent a strong example of additional voluntary investment aligned with the UN Sustainable Development Goals (SDGs) - particularly:

- SDG 13 - Climate Action
- SDG 15 - Life on Land
- SDG 8 - Decent Work and Economic Growth

This initiative adds value beyond compliance, and demonstrates Hubexo UKI's wider climate and community engagement ethos.

Conclusion & Verification Statement

Following a comprehensive and independent review of the documentation, data, and supporting evidence provided by Hubexo UKI, we confirm that the verification process has been conducted in accordance with the requirements of ISO 14068-1:2023 - Climate Change Management - Carbon Neutrality.

This verification assessed the following elements:

- The definition of the subject and boundary of the carbon neutrality claim
- The quantification of greenhouse gas (GHG) emissions using recognised methodologies
- The application of credible and documented emissions reduction measures
- The accuracy and transparency of data sources and public disclosures
- The proposed approach to offsetting residual emissions (pending confirmation)

Verification Findings:

- The reported carbon footprint for the period 01 January - 31 December 2024 has been prepared using appropriate methodologies and is consistent with best practice under the ISO 14068 and GHG Protocol frameworks.
- All Scope 1, 2, and relevant Scope 3 emissions were accounted for and supported by verifiable evidence.
- The data was found to be materially accurate, transparent, and complete within the declared organisational boundary.
- Evidence of carbon offsetting has been provided, confirming the retirement of 900 tCO₂e of Gold Standard Verified Emission Reductions (VERs) from the Düzova Wind Power Project in Turkey. These credits were retired on 08 October 2025 to account for Hubexo UKI's residual emissions for the 2024 reporting period.

On the basis of this verified retirement, the organisation's carbon neutrality claim is fully substantiated and compliant with the requirements of ISO 14068-1:2023.

Verification Statement:

Based on the evidence reviewed and the procedures undertaken, SQS - Sterling Quality Services Ltd concludes that the carbon footprint of Hubexo UK Ltd for the reporting period 01 January to 31 December 2024 has been calculated in accordance with the requirements of ISO 14068-1:2023.

Carbon neutrality for the defined subject is substantiated, with all residual emissions offset via the verified retirement of Gold Standard VERs.

This statement is issued on 14/10/25 and remains valid for the reporting period stated, subject to no material changes in the underlying data, organisational boundary, or calculation methodology.

Appendices

A. Emission factor sources (e.g. DEFRA 2024)

B. Sample audit log

C. Calculation check screenshots/formulas

D. Survey summary (for commuting/WFH)

E. Evidence checklist