Artic Building Services

PAS 2060 Qualifying Explanatory Statement

First period: 1st January 2024 to 31st December 2024

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INTRODUCTION

This document forms the Qualifying Explanatory Statement to demonstrate that Artic Building Services Ltd, has committed to achieve and maintain carbon neutrality for its operational Scope 1, Scope 2 and Scope 3 emissions for the period commencing 1st January 2025 to 31st December 2025.

Company baseline in 2020-21 set at 789.37 tCO_2e, compiled and externally verified through Lexica Consultancy.

New emissions calculated internally and complied for Carbon Neutrality thorough in-house fact finding of Scope 1, 2 and partial 3 verified by Planet Mark.

Any Scope 3 gaps identified and calculated using GHG Protocol for 2024-25 at 358.67tCO_2e with an absolute reduction of 55% since first recording and with an increase of staff and business growth by 58%.

SECTION 1: GENERAL INFORMATION

Entity making PAS 2060 declaration

- Artic Building Services Ltd

Period during which the entity is demonstrating achievement of carbon neutrality

- 1st January 2024 to 31st December 2024

Subject of PAS 2060 declaration

- This declaration applies to the Scope 1, Scope 2 and selected Scope 3 emissions of Artic Building Services.
- Emissions are defined using the DEFRA and GHG Protocol Standard, and the support of Planet Mark which is used to record and calculate Scope 1, 2 and partial 3.
- Emissions mainly arise from company fleet, employee commuting, upstream purchase and transportation and electricity usage.

Description of Subject

Artic Building Services was established in 1998 as a service engineering company run by engineers, that specialises in heating ventilating and air conditioning.
Artic are passionate about an ethical service that promotes quality and insight into Environmental and Community impacts.
It is our aim to provide exceptional management and technical services, providing the highest level of professionalism, service response and quality of workmanship to all our clients.

As part of Artic's mission to support estates on their net zero journeys, carbon reduction and safety is prioritised in all site installations. From servicing and maintaining equipment under SFG20 or manufacturers specification and guidelines, optimised for energy efficiency to securing a supply chain that showcases a commitment to sustainable and ethical development in facilities management, maintenance and project services are tailored to meet both the needs of the site and the environment, all whilst remaining within budget requirements. By ensuring plant is energy efficient through responsible sourcing and regular planned preventative maintenance, system faults are reduced, and buildings are optimised for meeting carbon reduction targets. Through Artic's bespoke CAFM system, asset trends are regularly tracked keeping estate managers informed on the performance of their HVAC equipment and allowing engineers to spot opportunities for assets to be optimised for energy efficiency. As a dedicated energy efficiency team, Artic Zero work with 140+ directly employed engineers, contract, and engineering managers to provide the best possible solution that creates minimum environmental impact and promotes sustainable business practices in all facilities management.

Artic is made up of many divisions, all which work in complete unison to deliver technical solutions to the highest standard. Delivering the best service means not only meeting the needs of the estate, but also its local community. Artic strives to deliver maximum positive impact in social value spheres for every community it works in, collaborating closely with estates to build stronger and better communities through volunteer work and STEM events.

https://www.articbuildingservices.com/

https://www.articbuildingservices.com/net-zero/

Defined subject

All business operations at our Dartford office, and all services provided on clients residence are occurring within the UK only.

There is no storage, distribution or supply at HO. All items unless needed for the day-to-day function of the business operations at HO, are sent directly from supplier to site for instillation.

Covering all applicable Scopes 1, 2 and 3 categories within the GHG Protocol through Planet Mark and in house Scope 3 data collection using DEFRA factors, with the following exclusions and inapplicable areas:

- Scope 3, Category 1, included Purchased goods and Services including both the procurement and delivery of goods sent to Artic Head Office.
- Scope 3, Category 2, excluding emissions from the production of long-term physical assets acquired during the reporting period, such as buildings, machinery, or vehicles.
- Scope 3, Category 3, Emissions Included, calculated internally and verified by third party
- Scope 3, Category 4, Upstream transportation of all purchased good received by Artic Building services HQ. Excludes emissions of distribution of “sold” products as all items procured are for company use and purpose only.
- Scope 3, Category 5, Emissions included via food, general and mixed recycling waste. Company does not produce or generate any waste from the production or from the treatment and disposal of waste generated from a company's owned or controlled operations.
- Scope 3, Category 6, included in Planet Mark submission.
- Scope 3, Category 7 included in both Planet Mark survey admission and DEFRA calculations based on an average travel by postcode distance.
- Scope 3, Category 8 Leased Assets excluded as not applicable to the business
- Scope 3, Category 9 Downstream distribution excluded, all items are directly sent to site from the supplier, not from Artic Building Services.
- Scope 3, Category 10, Processing of sold products: excluded as not applicable to the business.
- Scope 3, Category 11 Use of sold products excluded as not applicable to the business.
- Scope 3, Category 12 End of life treatment of sold products excluded as not applicable to the business.
- Scope 3, Category 13, Downstream leased assets: excluded as not applicable to the business.
- Scope 3, Category 14, Franchises: excluded as not applicable to the business.
- Scope 3, Category 15, Investments: excluded as not applicable to the business.

Rationale for selection of the subject

For period one we have included Scope 3 Category 6 and 7 through Planet Mark, for which we have comprehensive and accurate data. As per the PAS 2060 recommendations, all Scope 3 emissions sources that are technically feasible and cost effective to implement carbon neutrality are included in this declaration.

In accordance with GHG protocol Category 7, Working from home is not considered material due to only a small portion of the workforce (only administrators) have access to the scheme and the quantity of variables leaving too many inconsistencies in data and tracking to be too inconsistent. Therefore, reporting cannot account for additional as there are too many variables and would not contribute a major impact to overall emissions.

Type of conformity assessment

Independent third-party verification from BSI

Independent third-party Data Validation for Category 6 and 7 via Planet Mark

Baseline date for PAS 2060 programme

- 1st January 2024 to 31st December 2024

Scope of emissions footprint under claim

- Scope 1, Scope 2, and Scope 3 Cat 1,3,4,5,6,7

Individual responsible for provision of data demonstrating carbon neutrality

Kevin Turner
ESG Compliance Manager
Artic Building Services Ltd

SECTION 2: DECLARATION OF COMMITMENT OF CARBON NEUTRALITY

Artic Building Services Ltd is committed to carbon neutrality of Scope 1, Scope 2 and Scope 3 emissions in accordance with PAS 2060 for the period commencing 1st January 2025 to 31st December 2025.

Recorded carbon footprint of the subject during the period stated

- 1st January 2024 to 31st December 2024.

Carbon footprint reduction target for period

- To maintain our carbon neutral status and reduce absolute carbon emissions.

Location of GHG emissions report supporting this claim

- Section 4

Location of the Carbon Footprint Management Plan

- Section 5

Location of the details describing the carbon offsets

- Section 6

Locations of the details describing internal reductions achieved (recertification only)

- n/a

Name of Senior Representative Senior Representative Signature

Name: Colin Trowell
Role: Managing Director
Date: 17/04/2025

SECTION 3: DECLARATION OF ON-GOING COMMITMENT TO CARBON NEUTRALITY

Artic Building Services are committed to maintaining carbon neutrality for Scope 1, Scope 2, and Scope 3 emissions in accordance with PAS 2060 for the period 1st January 2025.

SECTION 4: CARBON FOOTPRINT REPORT

This carbon neutrality verification against the requirements of PAS 2060 is based on Artics FY2024 emissions data applying operational control of boundary. Independent assurance of the emission sources contained in this declaration was obtained by BSI and Planet Mark.

All calculations were made in accordance with the Greenhouse Gas (GHG) Protocol using government published and best practice appropriate sub-regional, national, or international emission factors. These methods are widely recognised and recommended for the reporting of GHG emissions for PAS 2060. Materiality of the report is 10%.

Calculation methodology, quality, and verification

Reported emissions were calculated from FY2024 activity data consisting of both Primary and Secondary data via invoices, metered consumption, tracked expenditure of travel and estimation on commute based on distance, average cost and consumption based on government statistics. The calculations undertaken were complete with all sources of Scopes 1, Scope 2 and Scope 3 included.

Use of GHG Protocol

The GHG (Green House Gas) Protocol is an internationally recognised accounting and reporting framework for managing measuring and reporting GHG emissions.
This is the Standard in which Artic works by and references to ensure the quality and accuracy of our data provided.

Usage of DEFRA calculations

DEFRA conversion factors are used to allow organisations and individuals to calculate greenhouse gas (GHG) emissions from a range of activities accurately and in line with GHG Protocol.

This includes energy use, water consumption, waste disposal, recycling and transport activities.

From the 2020 publication used for our calculations, there has been an inflation increase of 26.6% which has been accounted for and adjusted within any calculations by spend.

All calculations are based on cost conversion factors for all in house data.

Planet mark

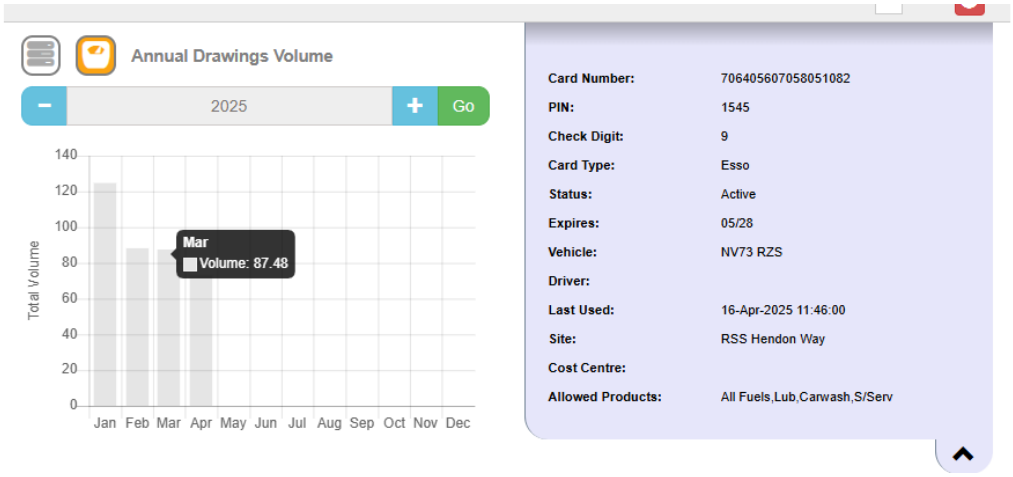
Planet Mark is an internationally recognised sustainability certification that acknowledges continuous progress, encourages action, and builds an empowered community of like-minded individuals. It's awarded to businesses, properties and developments that are committed to reducing their carbon emissions.

Planet Mark certification provides net zero baseline, support with KPI’s, centralised system for data accumulation, progress tracking, Paris agreement aligned, public facing, Widley and commercially recognised driving positive commercial outcomes and influential standards

Scope 1 emissions

- Scope 1 emissions: 196.3 tCO2e
  Fleet Emissions
  Data is sourced and reliant from Fuel Card usage Via Silvery Fleet and Wex, assumptions made being all deliveries if unspecified are categorised as class 1 vans using GHG factors for Deisel and petrol where appropriate.
  At a total of 55% of all total company emissions.

  FGAS checks show no leakages from AC systems so has been excluded from emission total.



Scope 2 emissions

- Scope 2 emissions: 17.94 tCO2e

Solar generation

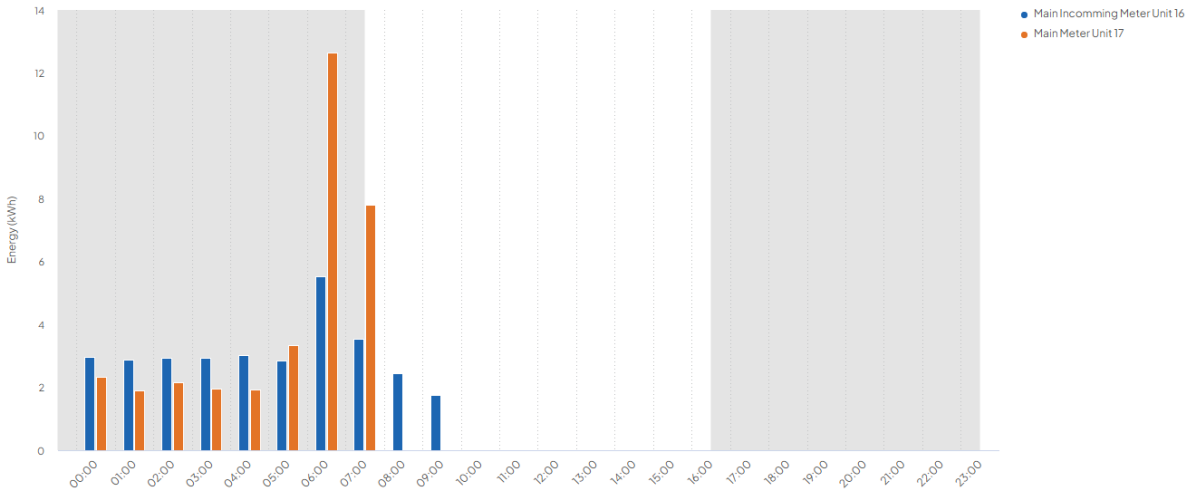
Electricity

Centrica Sensors and monitors attached to meters and circuits to identify individual key areas of energy consumption. Solar is not counted as Centrica shows real time energy consumption from the grid when the solar energy is not in use.

- Solar harvest data is collected in real time from the 2x Solis inverters through Solis Cloud data loggers (for units 16 & 17) based on energy exported (((Voltage * Current)* Power Factor) * time).
- Total import energy is validated at the 2x MID utility company meters in Units 16 & 17
- Power used on site is recorded for each unit by a Centrica MID (PAN42) grade power meter on the incoming main which serves as a voltage reference for all current sensing in the sub-circuits.
- Sub-circuits are monitored by wireless CT's and the current data is combined with the voltage and PF data in point 3 to produce accurate Watt data. Sub-circuits provide greater depth of information on HVAC for comfort, Water Heating for domestic hand washing and instant HW taps, general lighting, power and IT server rooms.
- PV data in point 1 is validated by CT's looking at import as point 4.

- The main incoming water meters in both units are fitted with pulse output for volume; this pulse is fed into the Centrica IoT gateway and converted into accurate real-time water consumption data.

https://www.centricabusinesssolutions.com/panoramicpower



Electricity usage by the company equates to a total of 4.2% of total Company Emissions due to a decrease in consumption from the grid, impacted by renewable solar generation.

All data was recorded and verified through Planet Mark and British Assessment Bureau for ISO 50001.

Scope 3 emissions

- As per the PAS 2060 recommendations, all Scope 3 emissions sources that are technically feasible and cost-effective to implement carbon neutrality are included in this declaration. Scope 3 emissions: 144.39 tCO2e

Water

Water consumption is based on a two-part process of total water pulled from provider, which is recorded and monitored using Centrica sensors and portal showing real time usage, and regular inspections of drinking water “Zip Taps”, to see how much is consumed.

Water treatment based on an estimate using a utilities factor of 95%

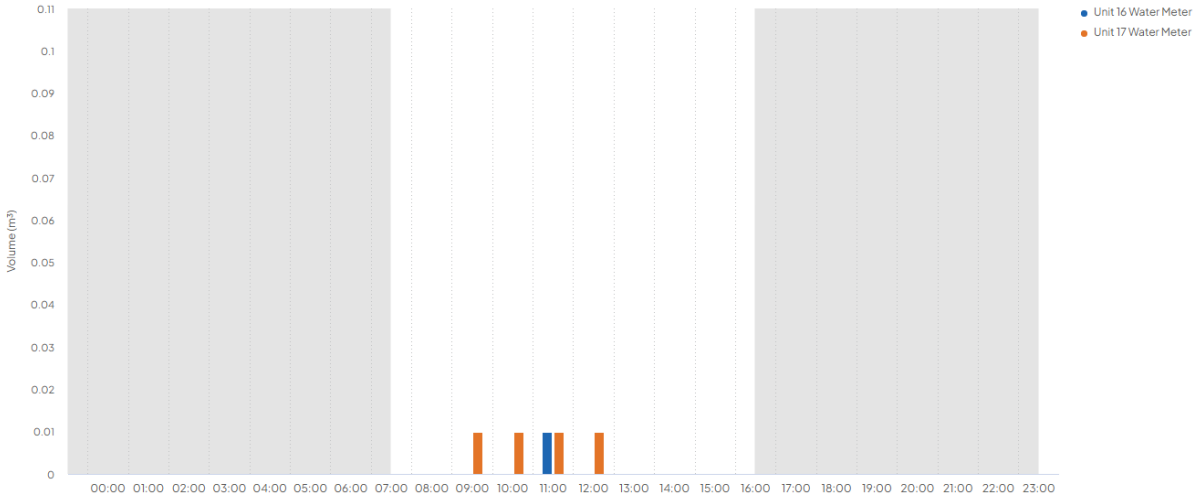
Calculation used is then broken down into:

Total Water – Water Consumption = Average waste

All data was recorded and verified through Planet Mark and British Assessment Bureau for ISO 14001 and Alcumus for ISO 50001.

Water Consumption 0.014 tCo2e

Water Treatment 0.017 tCo2e

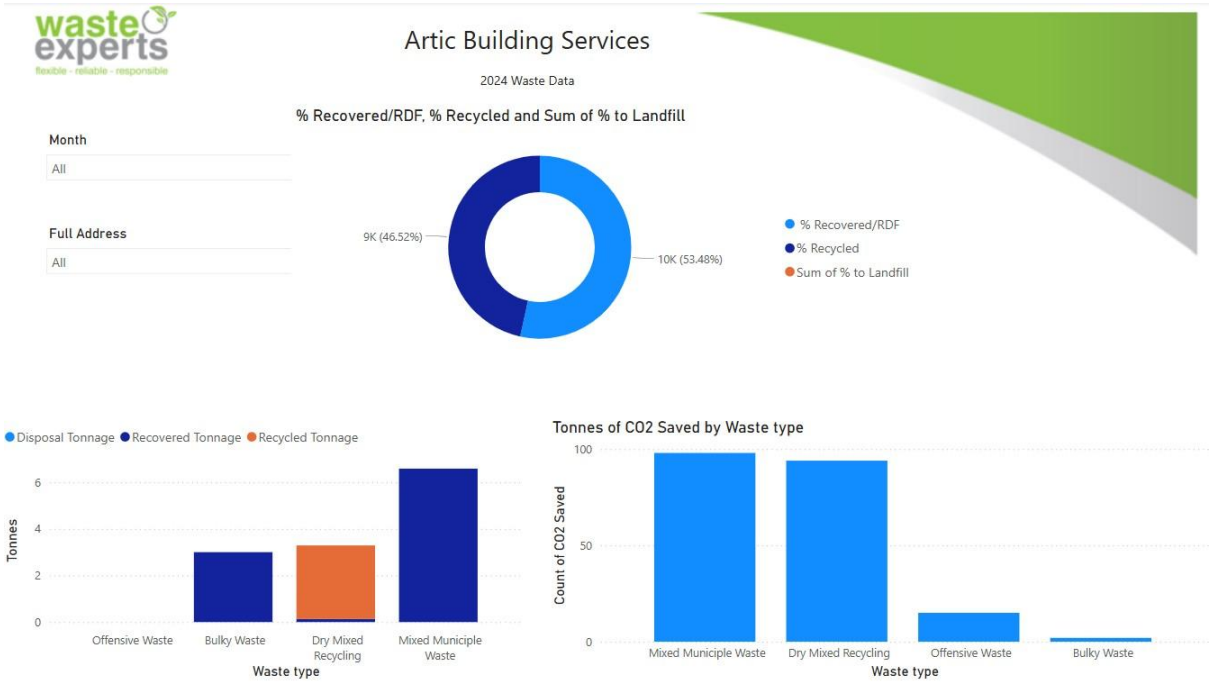


Waste Disposal

Waste Experts and portal information used through invoicing and real time tracking of waste removed from site and from any jobs the company is responsible for.

All data was recorded and verified through Planet Mark and British Assessment Bureau for ISO 14001.

0.08 tCo2e



- Delivery

Data extracted from Invoice and itemised reporting from supplier and estimation of distance travelled from Warehouse. This is recorded on an Excel Spread sheet using a combination of estimation of distance and fuel consumption, with some data confirmation from Complete.

2.1 tCo2e

Co2 is calculated in house by cost via DEFRA calculations in line with GHG Protocol.

- Computer technology

Data sent in from suppliers NSM and Aro and cost data drawn from CAFM system to verify Expenditure. This is placed onto Excel spread sheet for calculations.

Co2 is calculated in house by cost via DEFRA calculations in line with GHG Protocol.

17.7 tCo2e

- Furniture

Itemised confirmation invoice and report from supplier.

Co2 is calculated in house by cost via DEFRA calculations in line with GHG Protocol.

0.9 tCo2e

- Stationary

Itemised confirmation invoice and report from supplier.

Co2 is calculated in house by cost via DEFRA calculations in line with GHG Protocol.

5 tCo2e

- Uniform

Itemised confirmation invoice and report from supplier.

Co2 is calculated in house by cost via DEFRA calculations in line with GHG Protocol.

0.107 tCo2e

- Groceries

Average spend taken from invoicing over the year and an average spend per item per week and multiplied by 52 weeks.

5.2 tCo2e

- Business Travel

All commuting taken from data received via expense sheets. Oyster payments and travel tickets which are stored and tracked through CAFM system and exported via Excel Doc.

All data was recorded and verified through Planet Mark.

8.6 tCo2e

- Employee commuting

Employee commuting is taken from Details stored on Bamboo HR system and through Employee survey.

Data for employee survey was recorded and verified through Planet Mark, all H/O employees Co2 is calculated in house by cost using GHG protocol of distance travelled X 2, excluding weekends, public holidays, average A/L.

Total distance X average cost in petrol multiplied by DEFRA calculations for fuel.

92.3 tCo2e

Total carbon footprint

- The total carbon footprint for Artic Building services across Scope 1, Scope 2, and Scope 3 for the achievement period 2024 is 358.67tCO2e.

Scope 1

Fleet	tCO_2e
Petrol	0.711489096
Deisel	195.617259
FGAS	0

Total tCO_2e 196.3287481

Scope 2

	tCO_2e
Electric Fleet	3.391779885
Electricity consumption	14.5555943

Total tCO_2e 17.94737418

Scope 3

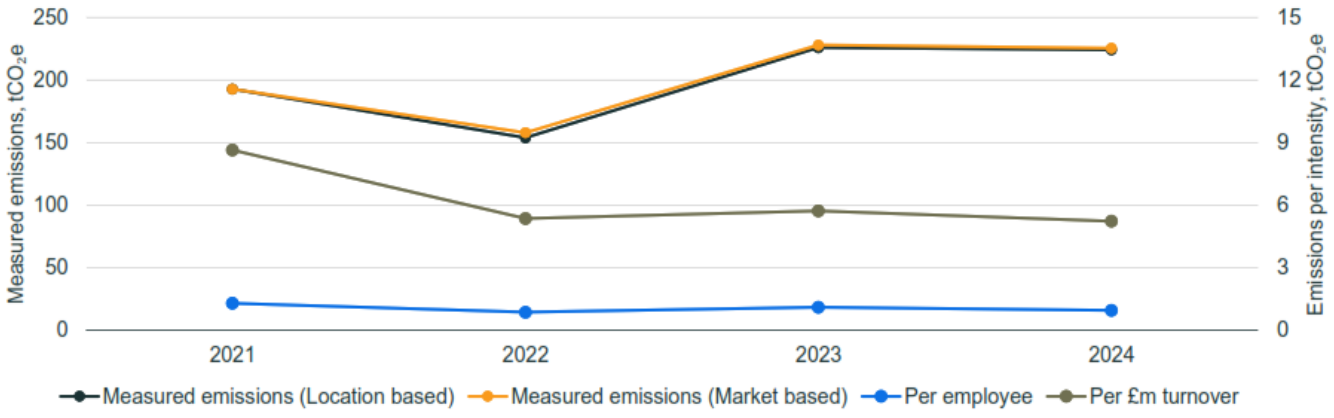
	tCO_2e
T&D Loses	1.28648817
Waste	0.083107148
Water	0.014340283
Water Treatment	0.016526588
Groceries	5.166173749
IT	17.6542875
Mobile	3.850892367
Office Stationary	5.994574067
Uniform	7.277752054
Business Travel	8.582853
Commuting	92.32335185
Deliveries	2.147388792

Total tCO_2e 144.3977356

Year on year comparison

Previous submissions to Planet mark did not cover all scope 3 emissions, due to PAS20/60 and carbon neutrality, Artic have reviewed and calculated all scope 3 gap data, capturing but increasing recorded carbon emissions, yielding a truer reflection on overall impact

	YE23	YE24
Scope 1	195.4	196.3
Scope 2	28.5	17.9
Scope 3	4.2	144.4
Total	228	358.6



SECTION 5: CARBON MANAGEMENT PLAN

Artic are committed to achieving carbon neutrality for Scope 1, Scope 2, and Scope 3 emissions in accordance with Pas 20/60 for the period 1st January 2024 to 31st December 2024. Artic Building Services target is to maintain its carbon neutral status as it goes into FY25. Target to reduce Scope 1, 2 and 3 emissions by 5% as set by Planet Mark was achieved.

Internal reassessment of Scope 3 emissions to include every area the business effects and considered material has now been accounted for, increasing our Scope 3 output by 3140%.

Regardless of increase, Artic has maintained a reduction in absolute carbon emissions from baseline assessment.

Baseline Year	***Total Co2e***	***Per Employee***
2020	***789.37***	***5.3***
2024	***358.67***	***1.5***

Carbon reduction plans

Artic is committed to reducing emission by a minimum of 5% year on year in accordance to Plant Marks requirements for certification to achieve Net Zero by 2050.

- April 2025 – Paper usage reduction – Reduce paper consumption by 80%.
- May 2025 – Reducing the amount of deliveries and stationary consumption by:
    - Ordering less and ordering more sustainable lines
    - Reducing Paper usage
    - Stock Holding uniform rather than ad hoc ordering
- Increase the amount of car share engagement and influence more alternative travel options to reduce employee commute emissions.
- August 2025 – Solar panels – Reach stage 3 of solar panel installation at Artic head office to reduce overall carbon footprint.
- October 2025 – Planet Mark – Achieve Planet Mark award which requires 5% absolute reduction
- December 2025 – Electrical fleet – 20-30% of Artic fleet to be electric.
- December 2025 – Supply chain – 5% of supply chain to have ISO 14001/50001 of policy to show commitment.
- January 2026 – Carbon emissions – To achieve a 5% carbon emissions reduction per employee.

SECTION 6: CARBON OFFSETS

CO2e emissions to be offset

Through THG, 600 tCO2e Verra certified offsets were purchased and validated. This totalled the calculated Scope 1, Scope 2, and Scope 3 emissions. Artic Building Services is committed to retaining carbon neutral status for the next financial year (FY25). Offset schemes will be carefully selected from recognised certification schemes. Going forward the scope of carbon neutrality and offsets purchased will at least match this year's carbon footprint boundary and may possibly extend to include further suppliers with Scope 3.

For FY24 we've offset over the tCO2e produced by the company due to a base limit purchasable, and to safeguard any unforeseen increases.

Supported projects:

Project Name

Renewable Solar Power Project by ReNew Solar Power Private Limited

VCU Serial Number: 17027-807358555-807358754-VCS-VCU-997-VER-IN-1-1851-01072023-30092023-0

Project Name

Germiyan Wind Power Project, Turkey

VCU Serial Number: 17465-832399141-832399340-VCS-VCU-279-VER-TR-1-1438-01032021-31122021-0

Project Name

Germiyan Wind Power Project, Turkey

VCU Serial Number

17465-832399141-832399340-VCS-VCU-279-VER-TR-1-1438-01032021-31122021-0

REVIEWING PERFORMANCE

We will continue to develop and review carbon emission factors through Scope 1,2 and 3 to ensure that company policy and carbon reporting is being implemented effectively through Paris agreement aligned protocols.

Levels of uncertainty and Quality data assurance is affected by DEFRA Factors primarily focusing on an average and not an actual, leaving room for interpretation. This is also reliant on factors such as the data collection and research being accurate, which is affected by human error or a differential in data through technology or relying on external source to provide information.
This can leave data gaps and inaccuracies.
Other areas to consider which require estimation due to data limitations are:

- Working from home, if considered material would have estimations based on a basic carbon factor, there are too many variables to consider to be accurate, thus can be irrelevant unless hugely impactful
- Waste, based on external source information which may not be accurate
- Commuter fuel, in context with WFH, variables include make, model, year, engine size, tire pressure, weather. This is based on an average yet is material due to its large impact on GHG emissions.
- External verification form independent sources, could result in inaccurate or calculations that differ from internal workings.

Artic reduce the level of risk though:

- Up to date recording
- Averages in data gaps based on previous and current data sources
- Using technology and equipment that has real time monitoring and not estimations
- Auditing and spot checking
- External verification on data and processes

Risk reduction and continuous improvement will include:

- The renewal and certification process of ISO standards,
    - 14001

      Showing commitment, awareness and risk analysis of the company's impact on Global emissions and biodiversity. Certification achieved by British Assessment Bureau external verification, through an auditing process showing continuous improvement in areas such as waste management, carbon reduction commitments and risk mitigation year on year in accordance with the standard.
    - 50001

      Implementing processes showing our commitment to energy reduction via continuous improvement though initiatives, design and consideration, and certification achieved by

British Assessment Bureau external verification, through an auditing process in improving energy reduction year on year in accordance with the standard.

- PAS 20/60 (14068)

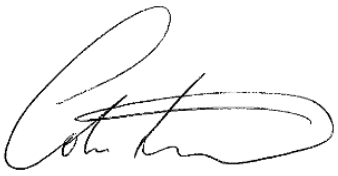
Demonstrating commitment and verification through external verification which conforms in all material respects with identified suitable criteria the verification risk is reduced to an acceptably low level.

- Planet Mark

Certification that demonstrates commitment to and verified data available to the public regarding to year-on-year absolute carbon reduction at 5% to achieving Net Zero goals, to show external verification and take accountability for our emissions and reduction strategies.

- Annual environmental and energy objectives/targets; set during our annual management review and quarterly Health & Safety meetings.
- ESG Monitoring and Reporting.
- The use of energy consumption data to establish Key Performance Indicators (KPIs) to drive performance improvements.
- Increasing and monitoring staff and client awareness.
- Encourage continuous improvement in energy conservation by employee participation and feedback.

Review and revise where necessary environmental and energy practice annually unless legislation dictates otherwise.



Colin Trowell

Managing Director

Paul Lucas

Managing Director

Artic Building Services Limited