

## ACS Group PAS 2060 Qualifying Explanatory Statement

June 2023



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## The ACS Group Qualifying Explanatory Statement

The ACS Group is deeply committed to achieving carbon neutrality, in alignment with the specifications outlined in PAS 2060:2014. Our objective is to demonstrate carbon neutrality for the year 2022, specifically from 1st January 2022 to 31st December 2022. Additionally, we have set a firm commitment to achieve Net Zero status by 2030.

As one of the foremost industry leaders in the procurement and supply of office consumables, equipment, and furniture, the ACS Group operates primarily in mainland Britain. Over the years, we have established strong partnerships with major hardware suppliers, including HP and Xerox. Our company, founded in 2008, has been actively engaged in sustainable practices and subscribed to the carbon-neutral program since 2016. By 2030, ACS aims to become the undisputed industry leader in sustainable business practices.

### Declaration of Carbon Neutrality:

"The ACS Group declares carbon neutrality for all Scope 1 and 2 emissions, as well as relevant Scope 3 emissions stemming from site operations, achieved by ACS in accordance with PAS 2060 as of 31st December 2021. We remain committed to maintaining this carbon-neutral status until 31st December 2022, with certification provided by BSI."

Signed and Dated:



Mike Hussain - ACS Group Managing Director

This QES includes all the necessary information regarding the carbon neutrality of the ACS Group. The accuracy and validity of the information contained in this document have been thoroughly reviewed by an independent third party, BSI. In the event of any new information that may impact the validity of the statements presented, this document will be promptly updated to reflect the current carbon neutrality status of ACS. The QES will be made publicly available on ACS's website and internally shared through our hub. This serves as the second declaration of commitment and achievement from the ACS Group.

Furthermore, the commitment to and achievement of carbon neutrality statement has been independently verified by BSI. BSI confirms that the Commitment to and Achievement of the Carbon Neutrality Declaration, as outlined in this QES, has been appropriately reported in accordance with the requirements of PAS 2060.

## 1.0 Introduction

This document serves as the Qualifying Explanatory Statement (QES) in accordance with PAS 2060:2014, demonstrating ACS Business Supplies' unwavering commitment to achieving carbon neutrality at its Otley Road sites. The provided evidence supports the declaration made under PAS 2060.

We acknowledge that the information presented in this document is accurate at the time of issuance and will be subject to regular review. If new information emerges that could potentially impact the validity of the statements made herein, we will promptly update this document to reflect the most recent status of carbon neutrality for the Otley Road sites of ACS.

ACS has diligently quantified its Scope 1, Scope 2, and measurable elements of its Scope 3 carbon footprint, aligning with the requirements of PAS 2060:2014. In line with our sustainability efforts, we are committed to collaborating with key suppliers to implement renewable energy solutions, with the aim of reducing supply chain carbon emissions by 2030 and supporting them in achieving Net Zero carbon emissions.

ACS fully embraces the goal of demonstrating carbon neutrality for Scope 1, Scope 2, and Scope 3 emissions, as outlined by PAS 2060:2014. Table 1, included in this document, provides the necessary information mandated by PAS 2060, substantiating our achievement of carbon neutrality.

Table 1 PAS 2060 Qualifying Explanatory Statement Information Summary

<b>Entity making PAS 2060 declaration</b>	ACS Group
<b>Individual(s) responsible for the evaluation and provision of data necessary for the substantiation of the declaration</b> (including that of preparing, substantiating, communicating, and maintaining the declaration)	Tom Taylor Vendor and Sustainability Manager Leon Oakley People Manager
<b>The subject of PAS 2060</b>	Organizational Carbon Footprint for ACS Group.
<b>Function of subject</b>	The function of the ACS Group is the procurement and supply of office consumables, equipment, services and furniture.
<b>Activities required for the subject to fulfil its function</b>	Activities include purchasing and selling goods, equipment, services and furniture to the B2B market.
<b>The rationale for selection of the subject</b>	The subject reflects The ACS Group-owned emissions that the business has direct control over. This enables the business to have direct influence over the

reduction of emissions and take necessary steps to achieve carbon neutrality.

### Methodology for Footprint Calculation

Carbon dioxide equivalent (CO<sub>2</sub>e) emissions are calculated based on the direct measurement of energy use (e.g., meter reads/invoices/purchasing records). Scope 1 emissions (i.e., direct CO<sub>2</sub>e emissions) cover the on-site energy consumption of owned resources. Scope 2 emissions (i.e., indirect CO<sub>2</sub>e emissions) are from purchased electricity and report both Market and Location based emissions. Scope 3 emissions cover activities from assets that are neither owned nor controlled by ACS, however, these resources are impacted by ACS's use. There are some aspects of the Scope 3 emissions that are not relevant for ACS. The main significant exclusion from our scope 3 emissions are deliveries by external suppliers as we have no control or accurate form of measurement to effectively offset these.

## 2.0 Scope

This document serves as the Qualifying Explanatory Statement (QES) in accordance with PAS 2060:2014 for the ACS Group's Kismet Building Otley Road site. Its purpose is to demonstrate the site's commitment to achieving carbon neutrality and provide supporting evidence for this declaration. The information presented in this document is accurate at the time of its issuance and will undergo regular review. In the event that new information emerges which may affect the validity of the statements made herein, this document will be promptly updated to reflect the most current status of carbon neutrality for the Kismet Buildings site of ACS.

## 3.0 Carbon Footprint

### 3.1 Baseline

The baseline 2022 emissions from the ACS Group are calculated and provided in Appendix B.

### 3.2 Methodology

ACS diligently follows the guidelines set forth by the World Business Council for Sustainable Development and World Resources Institute's GHG Protocol Corporate Standard to calculate greenhouse gas (GHG) emissions. This includes incorporating the Scope 2 Guidance (amendment to the GHG Protocol Corporate Standard, 2015), the Scope 3 Calculation Guidance (Corporate Value Chain [Scope 3]), and the Intergovernmental Panel on Climate Change (IPCC) methodology for ozone-depleting substances and fluorinated gases. The calculations encompass all facilities over which ACS has operational control for the entire calendar year.

The reported carbon emissions data is in metric tons of carbon dioxide equivalent (CO<sub>2</sub>e), allowing for a standardized comparison of emissions from the six main greenhouse gases based on their global warming potential. The data is derived by directly measuring energy usage through methods such as meter readings and invoices. Fuel consumption is documented by type and then converted into energy consumption (in kilowatt-hours) based on the specific fuel type. The relevant CO<sub>2</sub>e emission factor is then applied to calculate the total CO<sub>2</sub>e emissions.

ACS records emissions data with breakdowns based on both market and location, which are then converted into metric tons of CO<sub>2</sub>e. This includes 100% of scope one (direct) emissions arising from business and approved public transportation used for business travel. The measurement of these emissions relies on nominal details from ACS's internal CRM system, Horizon. Car travel emissions are calculated using the government's mileage allowance of 45p per mile, while train travel emissions are calculated based on the distance between stations, converted from kilometers to miles. Emissions from overnight accommodation and other factors within this scope are also determined using the GHG conversion factors for the relevant year, such as 2022.

For electricity-related emissions (Scope 2), ACS reports site emissions following the GHG Protocol Scope 2 Guidance. Since 2016, ACS's CO<sub>2</sub>e reduction targets and reporting protocols have been based on market emissions, utilizing emission factors specified in energy attribute certificates, contracts, power purchase agreements, and supplier utility emissions as outlined in the GHG Protocol Scope 2 guidance 1. ACS maintains and updates evidence supporting the contractual instruments or energy attribute certificates used for renewable electricity consumption at the site. These instruments or certificates must meet the quality criteria specified in the GHG Protocol Scope 2 guidance.



**Scope 3**

ACS has adopted a carbon accounting methodology aligned with widely accepted, science-based, and publicly available protocols and guidance for Scope 3 emissions. The methodology undergoes an annual review, and the Carbon Management Plan is updated annually to ensure the achievement of targets. Currently, ACS does not calculate or quantify avoided emissions, nor make any claims regarding them.

Additional information can be found in Appendix sections B1-B4.

To reduce uncertainties in the measurement and reporting phase of the carbon inventory, ACS has implemented several measures. Materially significant energy and emission sources (which account for less than 1% of total emissions) are determined using metered and invoiced data, ensuring a higher level of accuracy. ACS also follows the Global Data Assurance standard, which requires a variance of less than 5% between reported energy and emissions data and independent sources such as supplier invoices or supporting meter data. Additionally, ACS conducts a limited assurance programme for annually reported environmental and health and safety data, carried out by external, independent third-party auditors.

It is acknowledged that metering and measurement equipment, whether maintained by ACS or a third-party meter asset manager, have their own accuracy ranges. When considering the accuracy ranges of different energy and emission sources, a quantitative assessment indicates an overall accuracy with an uncertainty range greater than 1% but less than 5% for the emissions inventory data. This demonstrates ACS's commitment to reducing uncertainties and maintaining a high level of accuracy in its carbon reporting practices.

### 3.3 Emission Reduction & Offsetting Strategy

ACS is committed to achieving carbon neutrality by significantly reducing emissions and offsetting any remaining emissions through the purchase of high-quality carbon credits. The primary focus is on achieving a decarbonisation rate of 90% or greater for sites working towards carbon neutrality, ensuring alignment with science-based, net-zero principles with the ultimate goal of achieving full net-zero emissions by 2030 or even earlier.

ACS places priority on reducing Scope 1 emissions, market-based Scope 2 carbon emissions, and Scope 3 supply chain emissions by implementing waste reduction measures both on-site and throughout the supply chain.

To accurately assess the number of residual emissions, monthly measurements and annual verification of Scope 1 and market-based Scope 2 carbon emissions are conducted at the site. Ongoing efforts are dedicated to continuous improvement in addressing Scope 3 emissions through regular reviews of processes and methodologies. Any remaining carbon emissions will be offset through a PAS 2060-approved carbon offset scheme until the objective of net neutrality by 2030 is attained.

#### 3.3.1 Scope 1 Emissions

ACS's Scope 1 emissions primarily consist of emissions from our company car fleet. These emissions are measured using data from our internal system, Horizon. To calculate the emissions, we rely on the company mileage claims made by our staff, which are based on the government's 2022 process of 45p per mile for fuel and 8p for electric vehicles. The nominal claims made by staff in GBP are then converted into the correct mileage calculation.

To achieve carbon neutrality, ACS will utilise carbon credit offsets for any remaining emissions. These offsets will help compensate for the emissions generated by our company car fleet.

As part of our commitment to sustainability, ACS has set a target to remove all non-electric cars from our fleet by Q1 2025. This step will contribute to reducing our carbon footprint and aligning with our goal of transitioning to a more environmentally friendly vehicle fleet.

#### 3.3.2 Scope 2 Electricity Emissions

ACS places a strong emphasis on optimizing energy performance at its site to minimize overall energy demand as the first step in reducing carbon emissions. The primary strategy for addressing Scope 2 emissions involves the adoption of renewable energy sources. Earlier this year, ACS installed solar panels, which currently generate over 50% of the usable energy at the site. Additionally, ACS is committed to exclusively using energy providers that rely on 100% renewable energy sources.

While ACS will continue to report site-based emissions, the electricity production from the solar panels will be taken into account, along with market-based data, for any electricity that needs to be purchased. This approach allows for the effective reduction of Scope 2 emissions and demonstrates ACS's commitment to sustainable energy practices.

### 3.3.3 Scope 3 Emissions

ACS currently reports and accounts for Scope 3 emissions, however, this will not involve us including Product transport accounts as although they account for approximately 40% of our carbon emissions<sup>1</sup>, we have no control over what our suppliers do.

As ACS is not responsible for the production, packaging, or manufacturing of the products it sells, the company collaborates with its in-market specialists to initiate and support strategic discussions around decarbonization with its suppliers. This approach allows ACS to work towards reducing emissions within its supply chain.

In ACS's scope 3 report, the following emissions sources are included: staff commutes, electricity transmission and distribution losses, waste, water, and water waste. By accounting for these emissions sources, ACS aims to address and mitigate its indirect environmental impacts beyond its immediate control.

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<sup>1</sup> Based on internal sustainability report figures

Appendix A. Additional Information

Table A-1. Tick-list of Commitment to Carbon Neutrality Compliance from PAS 2060 Specification

Items	
1	Identify the individual responsible for the evaluation and provision of data necessary for the substantiation of the declaration including that of preparing, substantiating, communicating, and maintaining the declaration.
2	Identify the entity responsible for making the declaration.
3	Identify the subject of the declaration.
4	Explain the rationale for the selection of the subject. (The selection of the subject should ideally be based on a broader understanding of the entire carbon footprint of the entity so that the carbon footprint of the selected subject can be seen in context; entities need to be able to demonstrate that they are not intentionally excluding their most significant greenhouse gas [GHG] emissions [or alternatively can explain why they have done so]).
5	Define the boundaries of the subject.
6	Identify all characteristics (purposes, objectives, or functionality) inherent to that subject.
7	Identify and take into consideration all activities material to the fulfilment, achievement or delivery of the purposes, objectives, or functionality of the subject.
8	Select which of the 3 options within PAS 2060 you intend to follow.
9	Identify the date by which the entity plans to achieve the status of “Carbon Neutrality” of the subject and specify the period for which the entity intends to maintain that status.
10	Select an appropriate standard and methodology for defining the subject, the GHG emissions associated with that subject and the calculation of the carbon footprint for the defined subject.
11	Provide justification for the selection of the methodology chosen. (The methodology employed shall minimise uncertainty and yield accurate, consistent, and reproducible results.)
12	Confirm that the selected methodology was applied in accordance with its provisions and the principles set out in PAS 2060.
13	Describe the actual types of GHG emissions, classification of emissions (Scope 1, 2, or 3) and size of the carbon footprint of the subject exclusive of any purchases of carbon offsets.
	a) All greenhouse gases shall be included and converted into tCO <sub>2</sub> e.
	b) 100% Scope 1 (direct) emissions relevant to the subject shall be included when determining the carbon footprint.
	c) 100% Scope 2 (indirect) emissions relevant to the subject shall be included when determining the carbon footprint.

	d) Where estimates of GHG emissions are used in the quantification of the subject carbon footprint (particularly when associated with Scope 3 emissions) these shall be determined in a manner that precludes underestimation.
	e) Scope 1, 2 or 3 emission sources estimated to be more than 1% of the total carbon footprint shall be taken into consideration unless evidence can be provided to demonstrate that such quantification would not be technically feasible or cost-effective. (Emission sources estimated to constitute less than 1% may be excluded on that basis alone.)
	f) The quantified carbon footprint shall cover at least 95% of the emissions from the subject.
	g) Where a single source contributes more than 50% of the total emissions, the 95% threshold applies to the remaining sources of emissions.
	h) Any exclusion and the reason for that exclusion shall be documented.
14	Where the subject is an organisation/company or part thereof, ensure that:
	a) Boundaries are a true and fair representation of the organization’s GHG emissions (i.e., shall include all GHG emissions relating to core operations including subsidiaries owned and operated by the organization). It will be important to ensure claims are credible – if an entity chooses a very narrow subject and excludes its carbon-intensive activities or if it outsources its carbon-intensive activities, then this needs to be documented.

Table A-1. Tick-list of Commitment to Carbon Neutrality Compliance from PAS 2060 Specification

Items	
	b) Either the equity shares or control approach has been used to define which GHG emissions are included. Under the equity share approach, the entity accounts for GHG emissions from the subject according to its share of equity in the subject. Under the control approach, the entity shall account for 100% of the GHG emissions over which it has financial and/or operational control.
15	Identify if the subject is part of an organization or a specific site or location and treat it as a discrete operation with its own purpose, objectives, and functionality.
16	Where the subject is a product or service, include all Scope 3 emissions (as the lifecycle of the product/service needs to be taken into consideration).
17	Describe the actual methods used to quantify GHG emissions (e.g., use of primary or secondary data), the measurement unit(s) applied, the period of application and the size of the resulting carbon footprint. (The carbon footprint shall be based as far as possible on primary activity data.) Where quantification is based on calculations (e.g., GHG activity data multiplied by greenhouse gas emission factors or the use of mass balance/lifecycle models) then GHG emissions shall be calculated using emission factors from national (Government) publications. Where such factors are not available, international or industry guidelines shall be used. In all cases, the sources of such data shall be identified.
18	Provide details of, and an explanation for, the exclusion of any Scope 3 emissions.
19	Document all assumptions and calculations made in quantifying GHG emissions and in the selection or development of greenhouse gas emission factors. (Emission factors used shall be appropriate to the activity concerned and current at the time of quantification.)
20	Document your assessments of uncertainty and variability associated with defining boundaries and quantifying GHG emissions including the positive tolerances adopted in association with emission estimates. (The statement could take the form of a qualitative description regarding the uncertainty of the results, or a quantitative assessment of uncertainty if available [e.g., carbon footprint based on 95% of likely greenhouse gas emissions; primary sources are subject to variation over time; footprint is best estimate based on reasonable costs of evaluation]).
21	Document Carbon Footprint management plan:
	a) Make a statement of commitment to carbon neutrality for the defined subject.
	b) Set timescales for achieving carbon neutrality for the defined subject.
	c) Specify targets for GHG reduction for the defined subject appropriate to the timescale for achieving carbon neutrality including the baseline date, the first qualification date and the first application period.
	d) Document the planned means of achieving and maintaining GHG emissions reductions including assumptions made and any justification of the techniques and measures to be

	employed to reduce GHG emissions.
	e) Specify the offset strategy including an estimate of the quantity of GHG emissions to be offset, the nature of the offsets and the likely number and type of credits.
22	Implement a process for undertaking periodic assessments of performance against the Plan and for implementing corrective action to ensure targets are achieved. The frequency of assessing performance against the Plan should be commensurate with the timescale for achieving carbon neutrality.
23	Where a subject is a non-recurring event such as weddings or concerts, identify ways of reducing GHG emissions to the maximum extent commensurate with enabling the event to meet its intended objectives before the event takes place and include a post-event review to determine whether the expected minimisation in emissions has been achieved.
24	For any reductions in the GHG emissions from the defined subject delivered in the period immediately prior to the baseline date and not otherwise taken into account in any GHG emissions quantification (historical reductions), confirm: (a) the period from which these reductions are to be included; (b) that the required data are available and that calculations have been undertaken using the same methodology throughout; and (c) that assessment of historical reduction has been made in accordance with this PAS, reporting the quantity of historical reductions claimed in parallel with the report of total reduction.
25	Record the number of times that the declaration of commitment has been renewed without declaration of achievement.
26	Specify the type of conformity assessment: a) independent third-party certification

Table A-1. Tick-list of Commitment to Carbon Neutrality Compliance from PAS 2060 Specification

Items	
	b) other party validation c) self-validation
27	Include statements of validation where declarations of commitment to carbon neutrality are validated by a third-party certifier or second party organizations.
28	Date the Qualifying Explanatory Statement (QES) and have it signed by the senior representative of the entity concerned (e.g., CEO of a corporation; Divisional Director, where the subject is a division of a larger entity; the Chairman of a town council or the head of the household for a family group).
29	Make QES publicly available and provide a reference to any freely accessible information upon which substantiation depends (e.g., via websites).
30	Update the QES to reflect changes and actions that could affect the validity of the declaration of commitment to carbon neutrality.

Table A-2. Tick-list of Achievement of Carbon Neutrality Compliance from PAS 2060 Specification

Items	
1	Define standard and methodology use to determine its GHG emissions reduction.
2	Confirm that the methodology used was applied in accordance with its provisions and the principles set out in PAS 2060 were met.
3	Provide justification for the selection of the methodologies chosen to quantify reductions in the carbon footprint, including all assumptions and calculations made and any assessments of uncertainty. (The methodology employed to quantify reductions shall be the same as that used to quantify the original carbon footprint. Should an alternative methodology be available that would reduce uncertainty and yield more accurate, consistent, and reproducible results, then this may be used provided the original carbon footprint is re-quantified to the same methodology, for comparison purposes. Recalculated carbon footprints shall use the most recently available emission factors, ensuring that for purposes of comparison with the original calculation, any change in the factors used is considered).



4	Describe how reductions have been achieved and any applicable assumptions or justifications.
5	Ensure that there has been no change to the definition of the subject. (The entity shall ensure that the definition of the subject remains unchanged through every stage of the methodology. If a material change to the subject occurs, the sequence shall be re-started based on a newly defined subject.)
6	Describe the actual reductions achieved in absolute and intensity terms and as a percentage of the original carbon footprint. (Quantified GHG emissions reductions shall be expressed in absolute terms and shall relate to the application period selected and/or shall be expressed in emission intensity terms (e.g., per specified unit of product or instance of service)).
7	State the baseline/qualification date.
8	Record the percentage economic growth rate for the given application period used as a threshold for recognising reductions in intensity terms.
9	Provide an explanation for circumstances where a GHG reduction in intensity terms is accompanied by an increase in absolute terms for the determined subject.
10	Select and document the standard and methodology used to achieve carbon offset.
11	Confirm that:
	a) Offsets generated or allowance credits surrendered represent genuine, additional GHG emission reductions elsewhere.
	b) Projects involved in delivering offsets meet the criteria of additionality, permanence, leakage, and double counting. (See the WRI Greenhouse Gas Protocol for definitions of additionality, permanence, leakage, and double counting).
	c) Carbon offsets are verified by an independent third-party verifier.

Table A-2. Tick-list of Achievement of Carbon Neutrality Compliance from PAS 2060 Specification

Items	
12	d) Credits from Carbon offset projects are only issued after the emission reduction has taken place.
	e) Credits from Carbon offset projects are retired within 12 months from the date of the declaration of achievement.
	f) Provision for the event-related option of 36 months to be added here. (Not applicable to this statement)
	g) Credits from Carbon offset projects are supported by publicly available project documentation on a registry which shall provide information about the offset project, quantification methodology and validation and verification procedures.
	h) Credits from Carbon offset projects are stored and retired in an independent and credible registry.
	Document the quantity of GHG emissions credits and the type and nature of credits purchased including the number and type of credits used and the period over which credits were generated including:
	a) Which GHG emissions have been offset.
	b) The actual amount of carbon offset.
	c) The type of credits and projects involved.
	d) The number and type of carbon credits used and the period over which the credits have been generated.
	e) For events, a rationale to support any retirement of credits more than 12 months including details of any legacy emission savings, considered (Not applicable to this statement)
	f) Information regarding the retirement/cancellation of carbon credits to prevent their use by others including a link to the registry or equivalent publicly available record, where the credit has been retired.
13	Specify the type of conformity assessment: a) independent third-party certification. b) other party validation. c) self-validation.
14	Include statements of validation where declarations of achievement of carbon neutrality are validated by a third-party certifier or second party organizations.
15	Date the QES and have it signed by the senior representative of the entity concerned (e.g., CEO of a corporation; Divisional Director, where the subject is a division of a larger entity; the

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	Chairman of a town council or the head of the household for a family group)
16	Make QES publicly available and provide a reference to any freely accessible information upon which substantiation depends (e.g., via websites).

## Appendix B. Carbon Footprint

### B.1 Methodology

ACS follows rigorous standards and protocols in calculating greenhouse gas (GHG) emissions. The calculations are based on guidelines provided by the World Business Council for Sustainable Development and the World Resources Institute's GHG Protocol Corporate Standard, including the Scope 2 Guidance (amendment to the GHG Protocol Corporate Standard, 2015), Scope 3 Calculation Guidance (Corporate Value Chain [Scope 3]), and the Intergovernmental Panel on Climate Change (IPCC) methodology for ozone-depleting substances and fluorinated gases. ACS includes all facilities where it has operational control for the entire financial year in its emissions calculations.

Carbon emissions data are reported externally in metric tons of carbon dioxide equivalent (CO<sub>2</sub>e). This measurement allows for the comparison of emissions from the six main greenhouse gases based on their global warming potential. The data is calculated through direct measurement of energy use, such as meter readings and invoices. Fuel consumption is reported by fuel type and converted to energy consumption in kilowatt-hours. The relevant CO<sub>2</sub>e emission factor is then applied to derive the total CO<sub>2</sub>e emissions.

ACS uses the latest available emission factors, including the United Kingdom's Department for Environment, Food and Rural Affairs (DEFRA) average fuel CO<sub>2</sub>e emissions factors and calorific values. When product-specific factors are available, they are applied in the calculations.

For Scope 2 emissions from electricity, ACS reports both market emissions and location emissions following the GHG Protocol Scope 2 Guidance. The company's CO<sub>2</sub>e reduction targets and reporting protocols since 2007 are based on market emissions and use emission factors specified in energy attribute certificates, contracts, power purchase agreements, and supplier utility emissions, as outlined in the GHG Protocol Scope 2 guidance. When renewable electricity is used at a site, ACS maintains and updates evidence supporting the contractual instrument or energy attribute certificate. All contractual instruments or energy attribute certificates must meet the quality criteria defined in the GHG Protocol Scope 2 guidance.

ACS's carbon accounting methodology is chosen to align with widely accepted, science-based, and publicly available protocols and guidance. The methodology undergoes annual reviews, and the Carbon Management Plan is updated annually to ensure the achievement of targets. It is important to note that ACS does not calculate or claim avoided emissions in its reporting.

**B.1 Baseline and Achievement Period**

The baseline CY 2021 carbon emissions for the ACS Group.

**Market Based**

<i>Scope</i>	<i>Emission</i>	<i>CO2 Emissions (metric tonnes)</i>
Scope 1	Buisness Travel	5.21
Scope 3	Business Commuting	58.22
Scope 3	Electricity transmissions and distribution losses	3.07
Scope 3	Hotel Stays	0.4448
Scope 3	Public Transport	0.102
Scope 3	Water / Waste Water	0.54561
Scope 3	Waste	1.591
		<b>69.18341</b>

**Location Based**

<i>Scope</i>	<i>Emission</i>	<i>CO2 Emissions (metric tonnes)</i>
Scope 1	Buisness Travel	5.21
Scope 2	Electricity	34.64
Scope 3	Business Commuting	58.22
Scope 3	Electricity transmissions and distribution losses	3.07
Scope 3	Hotel Stays	0.4448
Scope 3	Public Transport	0.102
Scope 3	Water / Waste Water	0.54561
Scope 3	Waste	1.591
		<b>103.82341</b>

Offset with renewable energy - REGO

The baseline CY 2022 carbon emissions for the ACS Group.

**Market Based**

<i>Scope</i>	<i>Emission</i>	<i>CO2 Emissions</i>
<b>Scope 1</b>	<b>Business Travel</b>	<b>12</b>
<b>Scope 2</b>	<b>Electricity(Warehouse)</b>	<b>3.31</b>
<b>Scope 3</b>	<b>Business Commuting</b>	<b>57.38</b>
<b>Scope 3</b>	<b>Electricity transmissions and distribution losses</b>	<b>2.77</b>
<b>Scope 3</b>	<b>Hotel Stays</b>	<b>1.23</b>
<b>Scope 3</b>	<b>Public Transport</b>	<b>0.264</b>
<b>Scope 3</b>	<b>Homeworking</b>	<b>4.62</b>
<b>Scope 3</b>	<b>Water / Waste Water</b>	<b>0.54</b>
<b>Scope 3</b>	<b>Waste</b>	<b>3.202</b>
		<b>85.316</b>

**Location Based Office**

<i>Scope</i>	<i>Emission</i>	<i>CO2 Emissions</i>
<b>Scope 1</b>	<b>Business Travel</b>	<b>10.1</b>
<b>Scope 2</b>	<b>Electricity Office</b>	<b>27.01</b>
<b>Scope 3</b>	<b>Business Commuting</b>	<b>57.38</b>
<b>Scope 3</b>	<b>Electricity transmissions and distribution losses</b>	<b>2.47</b>
<b>Scope 3</b>	<b>Hotel Stays</b>	<b>1.23</b>
<b>Scope 3</b>	<b>Public Transport</b>	<b>0.264</b>
<b>Scope 3</b>	<b>Home Working</b>	<b>4.62</b>
<b>Scope 3</b>	<b>Water / Waste Water</b>	<b>0.46</b>
<b>Scope 3</b>	<b>Waste</b>	<b>1.742</b>
		<b>105.276</b>

REGO Provided

**Location Based Warehouse**

<i>Scope</i>	<i>Emission</i>	<i>CO2 Emissions</i>
<b>Scope 1</b>	<b>Business Travel</b>	<b>1.897</b>
<b>Scope 2</b>	<b>Electricity</b>	<b>3.31</b>
<b>Scope 3</b>	<b>Electric Loss</b>	<b>0.3</b>
<b>Scope 3</b>	<b>Waste</b>	<b>1.46</b>
<b>Scope 3</b>	<b>Water / Waste Water</b>	<b>0.08</b>
		<b>7.047</b>

**B.2 Scope 1 Emissions**

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ACS acknowledges that Scope 1 emissions from operations arise from the use of business and public transportation for approved business travel. These emissions have been measured using nominal details from Horizon, ACS's internal system. To address and reduce Scope 1 emissions, ACS has developed a primary carbon reduction strategy that focuses on transitioning to electric cars by the end of 2024. This strategy will be supported by implementing a carshare scheme for internal employees and raising awareness among staff about sustainable commuting options.

The current method employed by ACS to determine vehicle emissions for Scope 1 involves using the approved government travel allowance of 0.45 pence per mile for the first 10,000 business miles. No travel has exceeded this mileage limit. Train mileage is calculated by obtaining exact distances between departure and destination points using the Trainline website. The measurements provided by Trainline are in kilometres, which are then converted to miles for the emissions calculation.

In addition, ACS has acquired a van that was utilised in the calendar year 2022, and its emissions have been included in the PAS2060 emissions calculations.

Please note that specific data or values related to the emissions calculations or Table B-2 are not provided in the given information.

Table B-2. 2021 Annual Carbon Emissions from Stationary Combustion

Car Travel	Miles	Fuel	Car Type	Conversion CO2 kg
	100.67	Hybird	Medium	17.75
	105.00	Diesel	Medium	27.88
	115.73	Diesel	Medium	30.73
	129.64	Diesel	Medium	34.42
	196.62	Diesel	Large	65.57
	215.00	Petrol	Medium	65.00
	238.00	Petrol	Medium	71.95
	390.00	Petrol	Medium	117.90
	554.00	Petrol	Medium	167.48
	1280.24	Diesel	Large	426.94
	1728.22	Petrol	Medium	522.46
	2335.67	Hybrid	Medium	411.89
	2424.73	Petrol	Medium	733.02
	2554.44	Petrol	Medium	772.23
	5238.00	Diesel	Large	1746.77
				<b>5211.00</b>





**B.3**

All electricity supplied to ACS by Drax is 100% renewable, please see attached appendix the REGO certification up to March 22. We will be issued with Apr 22-Mar23 in August subject to Ofgem approval. Latest *REGO available*

Warehouse Electric supply.

Warehouse Electric

	Cost £	Kwh
January	£0.00	0
February	£0.00	0
March	£136.29	313
April	£761.64	1750
May	£826.28	1899
June	£717.62	1649
July	£708.31	1628
August	£787.65	1810
September	£766.64	1762
October	£785.57	1805
November	£1,016.00	2337
December	£957.70	2201
		<b>17154</b>

Activity	Country	Unit	Year	Total kg CO <sub>2</sub> e per unit	kg CO <sub>2</sub> e of CO <sub>2</sub> per unit	kg CO <sub>2</sub> e of CH <sub>4</sub> per unit	kg CO <sub>2</sub> e of N <sub>2</sub> O per unit
Electricity generated	Electricity: UK	kWh	2022	0.19338	0.19121	0.0008	0.00137

Warehouse Total Kwh **17154 kwh**

**Total Co2 - 3.31t**

Total 3.31t Co2e

**B.4 Scope 3 Emissions**

The Scope 3 emissions recorded by ACS include any emissions we have a direct ability to amend or control going forwards at this current moment product transportations will not be measured, due to our lack of control over emissions, as these are reported and controlled by third parties.

Efforts to minimize Scope 3 emissions relevant to this site have been incorporated into the carbon management plan.

In order to effectively measure our carbon footprint from a business commuting aspect, the ACS group annually conducts a survey to capture the travel and commuting of or each member of staff. This is conducted by the Sustainability manager and is a snapshot of the staff we have at the time the survey takes place. The last survey for the calendar year 2022 has only 98 responses even though over the course of the year we had more than a hundred staff. This is due to dismissals and people leaving the organisation and new starters were not in place at the time of the audit.

To ensure accurate reporting of this the responses of the 98 staff were measured and calculated over a 48-week period and then to account for the fluctuating numbers over a 12-month period an average for the additional staff is obtained through the average emission per staff member.

In order to measure the carbon footprint of business commutes more accurately, as an organisation we are going to review the process this may include opting for twice-annual surveys, or an average based on the total number of staff we have or for any missing people.

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The calculation for business commuting figures is the average number of staff responding to the survey plus the average difference in the number of staff over the course of the year over a 48-week year (to account for holidays)

**Business Commuting 2021** – calculated using Survey Monkey assessment for all staff, mileages from employees’ home and work calculated and GHG conversion factors used to convert into CO2e.

<b>Total FT Staff</b>	50.64
<b>Apprentices</b>	7.6
<b>Total CO2e Emissions tonnes</b>	<b>58.22</b>

**2022 Business Commuting** calculated using Survey Monkey assessment for all staff, taking into account the type of transport they use and the mileages from employees’ homes and work calculated and GHG conversion factors used to convert into CO2e.

**Total Emissions 57.38t Co2e**

**Public Transport** – Nominal data from internal system used with travel details included. Trainline.com used to measure distances to and from train stations. Taxi receipts used.

<b>Total</b>	<b>Kg CO2e</b>
<b>Train</b>	<b>221.34</b>
<b>Tube</b>	<b>3.8934</b>
<b>Coach</b>	<b>39.46452</b>
	<b>264.69792</b>

**Total Co2e - 264.70kg**

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Activity	Type	Unit	Total kg CO <sub>2</sub> e per unit
Bus	Local bus (not London)	passenger.km	0.10778
	Local London bus	passenger.km	0.07936
	Average local bus	passenger.km	0.0965
	Coach	passenger.km	0.02733

Activity	Type	Unit	Total kg CO <sub>2</sub> e per unit
Rail	National rail	passenger.km	0.03549
	International rail	passenger.km	0.00446
	Light rail and tram	passenger.km	0.02861
	London Underground	passenger.km	0.02781

**Hotel Stays** – Calculated using nominal data from our internal system.

Activity	Country	Unit	Total kg CO <sub>2</sub> e per unit
Hotel stay	UK	Room per night	10.4
	UK (London)	Room per night	11.5

United Arab Emirates	Room per night	63.8
France	Room per night	6.7

Location	Nights	Emissions kg
London	9 Nights	149.5kg
Non-London	43 Nights	624kg
Dubai	7 Nights	446.6kg
France	1 Night	6.7kg
		1.23t

**Total Co2e - 1.23t**

**Electricity transmissions and distribution losses** – Calculated using total electricity usage.

Activity	Type	Unit	Year	Total kg CO <sub>2</sub> e per unit	kg CO <sub>2</sub> e of CO <sub>2</sub> per unit	kg CO <sub>2</sub> e of CH <sub>4</sub> per unit	kg CO <sub>2</sub> e of N <sub>2</sub> O per unit
T&D- UK electricity	Electricity: UK	kWh	2022	0.01769	0.01750	0.00007	0.00012

**Office Electric Loss**

Business Total Kwh	139724kwh
--------------------	-----------

**Total Co2e - 2.471t**

**Warehouse Electric Loss**

Business Total Kwh	17154kwh
--------------------	----------

**Total Co2e - 0.30t**

Electricity transmission loss has reduced from 3.07t in 2021 to 2.5t in 2022 – solar panels in operation from July 2022.

**Water Usage** – Calculated through monthly water bills, calculated from the GHG conversion factors 2021.

Water Treatment			
Activity	Type	Unit	kg CO <sub>2</sub> e
Water treatment	Water treatment	cubic metres	0.272
		million litres	272.0

Water Supply			
Activity	Type	Unit	kg CO <sub>2</sub> e
Water supply	Water supply	cubic metres	0.149
		million litres	149.0

**Total Used - 1296 cubic metres**

**Treatment Total - 352.51kg Co2**

**Supply Total - 193.10kg Co2**

**Total Emissions - 545.61kg Co2**

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Water – Calculated through monthly water bills, calculated from the GHG conversion factors 2022.

**Office Water**

Activity	Type	Unit	Total kg CO <sub>2</sub> e per unit
Water supply	Water supply	cubic metres	0.149
		n litres	149.0

Activity	Type	Unit	Total kg CO <sub>2</sub> e per unit
Water treatment	Water treatment	cubic metres	0.272
		million litres	272.0

Oct21 to Jan23- 1356 cubic metres  
 Jan-Dec 2022 - 1088 cubic metres

Treatment Total -162Kg Co2

Supply Total - 296kg Co2

Total Emissions - 458kg Co2

**Warehouse Water**

Oct21 - Jan23 - 247 cubic metres  
 Jan22 - Dec22 - 193 cubic metres

Treatment Total - 28.80kg Co2

Supply Total - 52.50kg Co2

Total Emissions - 81.30kg Co2

2022 to 2021 Change – 727.29kg Co2 – 540KG Co2 = decrease of 187.29kg Co2

**Homeworkers**

Using the number of hours worked against the number of days worked, to calculate the Co2e production of staff working from home in tonnes.

## ACS Group PAS 2060 Qualifying Explanatory Statement V15.3

Full time	Days WFH	Hours Worked per day	Hours Worked per week	Hours worked per year	Reason
Tom Lowe	2	7	14	728	
Samantha Dwan	4	7	28	1456	
Alistair Clay	5	7	35	1820	
Mike Blesic	1	7	7	364	
Heidi Gregg	2	7	14	728	
Adam Blades	3	7	21	1092	
Jayne Cooke	4	7	28	1456	
Adam Coates	2.5	7	17.5	910	
Becky Wales	3	7	21	1092	
Helen Dyer	4	7	28	1456	
Kev Johnson	3	7	21	1092	
Andy Edwards	3	7	21	1092	
Conrad Flerin	1	7	7	364	
				13650	

Activity	Unit	Total kg CO <sub>2</sub> e per unit
Office Equipment	per FTE Working Hour	0.03168
Heating	per FTE Working Hour	0.30907
Homeworking (office equipment + heating)	per FTE Working Hour	0.34075

Activity	Emissions kg
Office Equipment	0
Heating	0
Homeworking (office equipment + heating)	4651.282748
	4651.282748

**Total Co2e - 4.62t**

Water – methodology has changed for 2022 - total amount is based on 455 days’ worth of bills divided by the total cubic metres then 365 days.

**Waste** - waste was calculated in kg from reports from Biffa, we totalled the weight and converted it using the GHG conversion factors 2021 sheet into CO<sub>2</sub>e.

Activity	Waste type	Unit	Re-use kg CO <sub>2</sub> e	Open-loop kg CO <sub>2</sub> e	Closed-loop kg CO <sub>2</sub> e	Combustion kg CO <sub>2</sub> e	Composting kg CO <sub>2</sub> e	Landfill kg CO <sub>2</sub> e	Anaerobic digestion kg CO <sub>2</sub> e
Refuse	Household residual waste	tonnes		21.294	21.294	21.294	8.951	446.242	8.951
	Organic: food and drink waste	tonnes				21.294	8.951	626.875	8.951
	Organic: garden waste	tonnes				21.294	8.951	578.959	8.951
	Organic: mixed food and garden waste	tonnes				21.294	8.951	587.344	8.951
	Commercial and industrial waste	tonnes			21.294	21.294	8.951	467.046	8.951

	Weight kg
General Waste	1229
Recycling	2179
	3408

Waste Tons	CO <sub>2</sub> e kg
3.408	1591.6921

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**Waste** - waste was calculated in kg from reports from Biffa, we totalled the weight and converted it using the GHG conversion factors 2022 sheet into CO2e.

Office Based			Weight kg	
	General Waste		1623	
	Recycling		2107	
			3730	

  

Activity	Waste type	Unit	Re-use kg CO <sub>2</sub> e per kg	Open-loop kg CO <sub>2</sub> e per kg	Closed-loop kg CO <sub>2</sub> e per kg	Combustion kg CO <sub>2</sub> e per kg	Composting kg CO <sub>2</sub> e per kg	Landfill total kg CO <sub>2</sub> e per unit	Anaerobic digestion total kg CO <sub>2</sub> e per unit
Refuse	Household residual waste	tonnes				21.280		446.204	
	Organic: food and drink waste	tonnes				21.280	8.911	626.856	8.911
	Organic: garden waste	tonnes				21.280	8.911	578.940	8.911
	Organic: mixed food and garden waste	tonnes				21.280	8.911	587.326	8.911
	Commercial and industrial waste	tonnes				21.280		467.008	

#NAME?

	Weight kg	Waste To CO2e kg	
General Waste	1623	3.73	1742
Recycling	2107		
	3730		

  

Warehouse Based			Weight kg	
	General Waste		3120	

  

Activity	Waste type	Unit	Re-use kg CO <sub>2</sub> e per kg	Open-loop kg CO <sub>2</sub> e per kg	Closed-loop kg CO <sub>2</sub> e per kg	Combustion kg CO <sub>2</sub> e per kg	Composting kg CO <sub>2</sub> e per kg	Landfill total kg CO <sub>2</sub> e per unit	Anaerobic digestion total kg CO <sub>2</sub> e per unit
Refuse	Household residual waste	tonnes				21.280		446.204	
	Organic: food and drink waste	tonnes				21.280	8.911	626.856	8.911
	Organic: garden waste	tonnes				21.280	8.911	578.940	8.911
	Organic: mixed food and garden waste	tonnes				21.280	8.911	587.326	8.911
	Commercial and industrial waste	tonnes				21.280		467.008	

#NAME?

	Weight kg	Waste To CO2e kg	
General Waste	3120	3.12	1457.07
	3120		

**Difference between (2021) 1591.6921 Co2e kg – (2022) 3212 Co2e kg = 1621 Co2e kg increase. This is again due to the new warehouse.**

**Homeworking** – This is a new measurement for 2022, GHG conversion factors now allow ACS to calculate the footprint of homeworkers. We calculated the set days staff members worked from home by their contracted hours to provide us with a total hours worked from home figure. This allowed us to then use GHG metrics to calculate the emissions associated.

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Activity	Unit	Total kg CO <sub>2</sub> e per unit
Office Equipment	per FTE Working Hour	0.03168
Heating	per FTE Working Hour	0.30907
Homeworking (office equipment + heating)	per FTE Working Hour	0.34075

Activity	Emissions kg
Office Equipment	0
Heating	0
Homeworking (office equipment + heating)	4651.282748
	4651.282748

**Total Co2e - 4.62t**

### Appendix C. Carbon Management Plan

#### C.1 Introduction

The Carbon Management Plan (CMP) serves as a clear roadmap for the ACS Group's carbon neutrality goals. It outlines the strategies and actions that will be implemented to monitor, manage, and reduce greenhouse gas (GHG) emissions across Scope 1, Scope 2, and Scope 3 categories. The plan also emphasises the use of renewable energy, energy efficiency improvements, and the offsetting of residual emissions with high-quality offsets in compliance with PAS 2060.

The CMP and its related documents will undergo regular reviews and updates, at least annually, under the supervision of the Sustainability Manager. The site-based operations team, Commercial Director, and managing director may provide input during the review process. These reviews will ensure that the CMP aligns with changes in legislation and industry best practices.

The Sustainability Manager holds the responsibility for the accuracy and timely amendment of the CMP. They are also responsible for providing updates to the People Manager for inclusion in relevant ISO documentation. Additionally, amendments to the CMP will be made by the Sustainability Manager, and a revised version will be submitted to the People Manager and Commercial Director for formal approval.

This systematic approach to reviewing, updating, and obtaining approval for the CMP ensures that the ACS Group remains on track towards achieving its carbon neutrality objectives.

#### C.2 Targets

In the initial QES/CMP ACS set the following targets:

1 - Reduction in Scope 1 emissions: By introducing four new electric cars to the fleet and removing four diesel cars, ACS aims to achieve a 10% reduction in Scope 1	Due to increased travel requirements caused by increased turnover total Scope 1 emissions
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<p>emissions. This transition is estimated to reduce emissions by approximately 600 kg of CO<sub>2</sub>e.</p>	<p>have increased from 5.21 to 10.1. However, this target has been achieved as CO<sub>2</sub>e has reduced per mile from 0.296 in 2021 to 0.1518 in 2022 a per mile reduction of 51%.</p>
<p>2 - Remote customer/supplier meetings: ACS plans to conduct business-viable customer/supplier meetings remotely, eliminating the need for travel and accommodation. While the exact emission reduction cannot be quantified at this moment, it will contribute to lowering carbon emissions once the criteria for "business viable" are clarified.</p>	<p>No accurate measuring instrument. Due to the lifting of Covid restrictions face to face meetings increased however, these were down on pre-pandemic numbers.</p>
<p>3 - Onsite energy creation: The installation of solar panels at ACS's main office will enable the generation of onsite renewable energy. This initiative aims to achieve a 50% reduction in electric loss on the network by the end of 2022, promoting greater energy efficiency.</p>	<p>Solar panels have been installed. From August 2022 – December 2022 ACS has a reduction in onsite electricity usage at Kismet Buildings of 30% (78546.3 in 2021 compared to 55242.9 in 2022) - during the darker months of the year. A full year's usage is required to be able to paint a fully accurate picture.</p>
<p>4 - Internal carshare scheme and alternative commuting: ACS will introduce an internal carshare scheme, encouraging staff to carshare or walk to work for two days per month. This initiative targets reducing Scope 3 emissions, specifically on those days, by 60%. The potential emission reduction from this measure is estimated at 1.75 tonnes of CO<sub>2</sub>e, which can potentially be offset.</p>	<p>Incomplete. Needs revisiting and a change in staff mindset and culture. This objective needs to be reviewed and potentially rolled out to staff again.</p>

ACS remains steadfast in its commitment to reducing carbon emissions, focusing specifically on greenhouse gas (GHG) output. In line with this dedication, we have set ambitious targets for 2023, which are as follows:

**Company Car Fleet:** ACS aims to increase the percentage of company cars within our fleet to 75% by the end of 2023, with a further goal of achieving 100% by the end of 2024. This strategic move is aimed at minimising business travel and commuting emissions, contributing to our overall emission reduction efforts.

**Remote Meeting Solutions:** ACS recognises the significance of reducing business travel, and to achieve this, we will provide comprehensive training on remote meeting solutions throughout the organisation. We actively

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discourage staff from unnecessary travel and strongly encourage the utilisation of video meetings wherever possible. By embracing technology, we aim to significantly reduce our carbon footprint associated with business travel.

**Business Commuting Reduction:** ACS is committed to decreasing business commuting by 10% in 2023. To achieve this, we will revisit our green initiatives, including the enhancement of existing programmes such as the cycle-to-work scheme, car share/public transport days, and walk-to-work days. By promoting alternative modes of transportation and eco-friendly commuting practices, we aim to reduce emissions related to daily work commutes.

By implementing these measures, ACS underscores its strong commitment to reducing greenhouse gas emissions across all facets of our operations. We firmly believe that these efforts will contribute to fostering a more sustainable and low-carbon future. As a responsible corporate entity, we strive to lead by example, embracing environmentally conscious practices that benefit both our organisation and the planet

	Turnover	Total Carbon Emissions	Total per million
2021	26.2m	69.18t Co2e	4.86t per million of turnover
2022	35m	85.32t Co2e	3.99t per million of turnover

Although ACS have witnessed an increase in total carbon emissions between 2021 and 2022. However, there has been a significant improvement in financial turnover per tonne, with a reduction of nearly 1 tonne per million pounds. This commendable achievement can be attributed to two key factors: the expansion of physical storage capacity to accommodate larger customer stock and the implementation of a hybrid working model.

Firstly, the company's decision to enhance its physical storage capacity has played a pivotal role in minimizing carbon emissions. By accommodating larger quantities of stock for customers, the need for frequent transportation and associated emissions has been reduced. This strategic move not only ensures efficient logistics but also contributes to environmental sustainability.

Additionally, the adoption of a hybrid working model has contributed to the positive outcome. By allowing employees to work remotely for a portion of their schedule, the company has curtailed the carbon footprint associated with daily commuting. This flexible approach not only supports employee well-being but also promotes a greener and more sustainable work environment.

Overall, despite the increase in total carbon emissions, the company has demonstrated its commitment to reducing its environmental impact by achieving a notable reduction in financial turnover per tonne. This accomplishment has been made possible through the expansion of physical storage capacity and the implementation of a hybrid working model, which have collectively contributed to a more sustainable and efficient business operation.

## Fuel & Heat Reductions

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### Energy Management Practices

- The ACS team regularly measure, monitor & report energy consumption and energy efficiency (energy use per unit production) to track progress against agreed improvement targets.
- Energy performance is reported daily, weekly and monthly in a tiered meeting process where actions to address out-of-specification performance are taken or escalated up the tier system for support.

### c.5.1 Emissions Reductions

ACS aim to reduce over 100% of energy use by using renewable energy. The site has actively considered the reduction of fossil fuel use. Actions taken are identified below:

- Installation of solar panels to reduce energy consumption.
- A renewable, zero-emission electricity supply is being used by the site for all grid-supplied power. This indirect emission reduction, using 100% UK wind-generated electricity, decarbonizes on-site electricity used for motive power, lighting and electrical equipment.

### c.5.2 Future Reduction Plans

ACS will continue to identify new opportunities to reduce energy consumption and further reduce the residual emissions at ACS. Several future opportunities will look to improve processes that use renewable energy already, as it is still important to improve resource efficiency and use renewable energy sources responsibly.

### C.6 Emission Compensation Strategy

ACS's strategy for achieving and maintaining carbon neutrality will be to validate the Scope 1 and market-based Scope 2 carbon emissions from the site and then procure the required amount of carbon offset credits for residual. Scope 3 elements that have been identified in 3.3.3 will continue to be reviewed and amended in order to reduce them to the lowest emissions numbers possible in order to require the minimal off-setting required.

Scope 1 emissions. ACS will continue to use renewable fuel and renewable electricity to minimize the remaining emissions from other sources.

A few opportunities have been detailed above to further reduce renewable energy consumed and to reduce residual emissions to as low as practical (see section C.5.3 Future Reduction Plans). Future opportunities will also consider improving the outcomes from indirect emission reductions to direct emission reductions where possible.

### c.6.1 Carbon Offsets for Scope 1 Emissions

The ACS Group will annually purchase carbon credits to achieve and maintain carbon neutrality for residual non-biogenic Scope 1 emissions. A high-quality, nature-based carbon credit with co-benefits will always be the default position for the required number of carbon credits.

Under PAS 2060, these carbon credits must be from specified and audited sources, such as Gold Standard and Verified Carbon Standard (VCS), to ensure no double counting occurs and that the projects are actively removing carbon emissions. ACS will evaluate a mixed portfolio for their carbon credits to spread the positive benefits as well as minimize potential risk (e.g., investing wholly in one forestry project which may later burn or may be found non-compliant).

### c.6.2 Renewable Energy for Scope 2 Emissions

ACS's carbon reduction strategy for Scope 2 emissions will be achieved through their purchase of 100% renewable energy through Drax. Further opportunities to identify potential on-site renewable electricity generation, through the installation of solar panels, will maintain the zero-emission rating but will upgrade and enhance the renewable electricity (Scope 2 emission) outcome.

[Apr 2022 – Mar 2023](#) Link to confirmation of renewable energy between April 2022 – March 2023

If you are looking for REGO certification, the latest period I can issue this for is the 12-month period of Apr 21-Mar 22. This is because the 'redeeming' of REGO certificates with Ofgem for annual Fuel Mix Disclosure (FMD) happens only once per year, on 1<sup>st</sup> July. So, I will not be able to issue a letter for the Apr21-Mar22 period until August of this year, once Ofgem have accepted the REGOs we presented. I have provided the letter detailing their specific REGO certificates redeemed with Ofgem for the period Apr 21 – Mar 22.

### c.6.3 Offsets for Scope 3 Emissions

The ACS Group will annually purchase carbon credits to achieve and maintain carbon neutrality for residual non-biogenic Scope 3 emissions. A high-quality, nature-based carbon credit with co-benefits will always be the default position for the required number of carbon credits. ACS will aim to reduce these annually through continual improvement strategies.

**C.6.4 Offsetting residual GHG emissions**

ACS has offset Scope 1, Scope 2 and Scope 3 GHG emissions. ACS required 86 carbon credits to offset total 2022 footprint. The standard chosen by ACS is the Gold Standard, the project chosen was 50 MW Wind Power Project in Madhya Pradesh, India. Included is a copy of the retirement certificate of 86 VER credits. ACS can confirm the carbon offset scheme was used in accordance with its provisions and there was no conflict with the principles set out in 9.1.2 PAS 2060:2014 document. The credits were immediately retired upon purchase and evidence of retirement can be found on the impact registry [Gold Standard Impact Registry](#).

86 units [Retired Credits](#) details

I.D Ref - GS1-1-IN-GS4962-12-2020-21317-41839-41924

[Link to Register](#)

## Appendix D. Definition of Key Terms

**Biogenic Emissions:** biogenic carbon dioxide (CO<sub>2</sub>) emissions are defined as CO<sub>2</sub> emissions related to the natural carbon cycle, as well as those resulting from the combustion, harvest, combustion, digestion, fermentation, decomposition, or processing of biologically based materials.

**Business as Usual (BAU):** a future scenario where there have been no significant changes to policies, regulations, or attitude towards climate change, with climate change projected at over 4°C globally.

**Carbon Dioxide Equivalent (CO<sub>2</sub>e):** the universal unit of measurement used to indicate the global warming potential of greenhouse gases (GHGs) expressed in the terms of the 100-year global warming potential of one metric ton of CO<sub>2</sub>.

**Carbon Management Plan (CMP):** plan for ACS's carbon reporting and management strategy

**Carbon Neutrality:** condition in which during a specified period the carbon emissions caused by a company are balanced out by an equivalent amount of carbon removed from the atmosphere.

**Clean-in-place (CIP):** method of cleaning the interior of equipment without disassembly

**Energy Attribute Certificates (EACs):** an audited kilowatt hour (kWh) credit from renewable electricity sources which proves the source of the electricity purchased.

**Greenhouse Gas (GHG) Emissions:** emissions arising from business activities, which includes CO<sub>2</sub>, methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF<sub>6</sub>) and nitrogen trifluoride (NF<sub>3</sub>)

- **Scope 1:** direct emissions from combustion of fuels at the site for business operations (i.e., natural gas heating, vehicle fuel)
  - **Scope 2:** indirect emissions caused by a company's energy consumption that occur offsite (i.e., purchased electricity)
  - **Scope 3:** indirect emissions from the value chain
- PAS 2060:** certification for achieving carbon neutrality.

**Power Purchase Agreement (PPA):** a contract for the purchase of power and associated Renewable Energy Certificates (RECs) from a specific renewable energy generator (the seller) to a purchaser of renewable electricity (the buyer). Physical PPAs, which are usually 10-20-year agreements, define all of the commercial terms for the sale of renewable electricity

between the two parties, including when the project will begin commercial operation, schedule for delivery of electricity, penalties for under delivery, payment terms and termination. The project may be located onsite at the user's location or be offsite with the electricity being grid-delivered to the user.

**Science Based Targets (SBTs):** carbon emission reduction goals that are considered “science-based” if they show, through different emissions scenarios, that the goals are in line with the reduction pathways necessary to meet the goals of the Paris Agreement – to limit global warming to well-below 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C

**Zero Waste to Landfill (ZWL):** Eliminating waste through recycling and reusing with the prevention of waste ending up in landfill.