

PPN 006: Carbon Reduction Plan

Pexhurst Services Ltd

2025/26



Introduction

Pexhurst is an award-winning fit out and refurbishment contractor. Established in 1977, Pexhurst has progressed from providing simple office fit outs to delivering large-scale refurbishment projects for a range of commercial, industrial and specialist sector clients.

Pexhurst has established a strong reputation for the quality of our workmanship, helping to transform spaces throughout London and the Home Counties, Cambridge, Oxford, and the Midlands triangle.

Commitment to achieving Net Zero

Pexhurst Services Ltd is committed to achieving Net Zero Scope 1 and 2 emissions by 2030.

Having set the financial year of 2023/24 (ending Jan 2024) as our baseline year of Scope 1 and 2 emissions, Pexhurst has been able to plan for, set and announce an ambitious absolute Net Zero target for these emissions. The purpose of this document is to outline exactly how Pexhurst plans on achieving this target, document our annual progress towards reaching it, outline our solutions for decarbonisation with reference to our roadmap for when such changes should occur. In our 2024/25 financial year, we submitted and subsequently achieved validation from the SBTi (Science-based Targets initiative) for this carbon emissions target ensuring that it aligns with what the latest climate science deems necessary to limit global warming to 1.5C above pre-industrial levels (as outlined by the Paris Agreement 2015).

Scope 3

Pexhurst Services Ltd is committed to measuring and reducing its Scope 3 emissions, in line with the SME pathway of the SBTi.

Pexhurst understands the significance and size of its Scope 3 emissions and have taken appropriate action towards measuring and reducing them. In 2024, we undertook a 'first sweep' of our Scope 3 emissions, identifying our material categories and calculating preliminary carbon emission figures for our baseline year of 2023/24.

In 2025, we improved and refined our reporting methodology, enabling us, for the first time, to formally disclose our Scope 3 carbon emissions for both our baseline year and subsequent reporting periods within this document.

Initial analysis of our findings indicates carbon hotspots within our footprint which we are focusing our reduction efforts on going forwards.

Baseline emissions footprint

Baseline emissions are a record of the greenhouse gases that have been produced in the past and were produced prior to the introduction of any strategies to reduce emissions. Baseline emissions are the reference point against which emissions reduction can be measured.

Baseline Year: 2023/24 (Feb 2023- Jan 2024)	
Additional details relating to the Baseline Emissions calculations: 97.8% of our total spend is captured within the scope of our Purchased goods & services calculations. We believe the carbon figures here to be significantly overstated as most of our subcontractor activity is simply labour on site, with the activity of that labour accounted for in other categories (e.g. use of plant and materials).	
Emissions	Total (tCO₂e)
Scope 1	158 (<i>location-based</i>)
Scope 2	64 (<i>location-based</i>)
Scope 3	The following categories within Scope 3 are relevant to our activities and their associated emissions have been calculated: - Category 1: Purchased goods & services (10,557) - Category 2: Capital goods (123) - Category 3: Fuel & energy related activities (42) - Category 4: Upstream transportation & distribution (113) - Category 5: Waste generated in operations (42) - Category 6: Business travel (70) - Category 7: Employee commuting (34) <i>*Category 9 - Aspects of our downstream transport and distribution are attributed to both category 5 – Waste generated in operations and category 1 – Purchased goods and services. Therefore, they are not double counted here.</i>
Total Emissions	Scope 1 & 2 Total = 222 (<i>location-based</i>) Scope 3 Total = 10,979 All Scopes Total = 11,201

Current Emissions Reporting

Reporting Year: 2025/26 (Feb 2025 - Jan 2026)	
Emissions	Total (tCO ₂ e)
Scope 1	93 ¹ (market-based) 93 (location-based)
Scope 2	56 (market-based) 77 (location-based)
Scope 3	- Category 1: Purchased goods & services (14,893) - Category 2: Capital goods (65) - Category 3: Fuel & energy related activities (47) - Category 4: Upstream transportation & distribution (122) - Category 5: Waste generated in operations (42) - Category 6: Business travel (81) - Category 7: Employee commuting (23) <i>*Category 9 - Aspects of our downstream transport and distribution are attributed to both category 5 – Waste generated in operations and category 1 – Purchased goods and services. Therefore, they are not double counted here.</i>
Total Emissions	Scope 1 & 2 total = 148 (market-based) Scope 3 total = 15,263 All Scopes total = 15,408

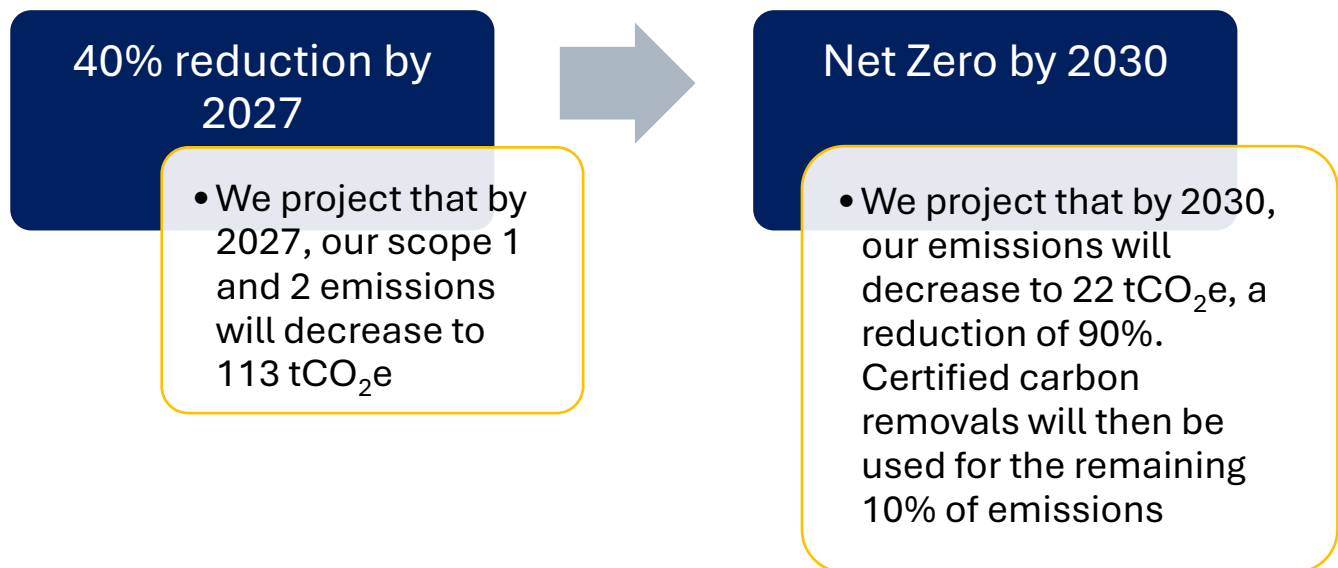
¹ Carbon figures are rounded to nearest whole number for presentation

Emission Reduction Targets

In order to continue our progress to achieving Net Zero, we have adopted the following carbon reduction targets.

We project that carbon emissions will decrease over the next five years to 22 tCO₂e by 2030. This is a reduction of 90%.

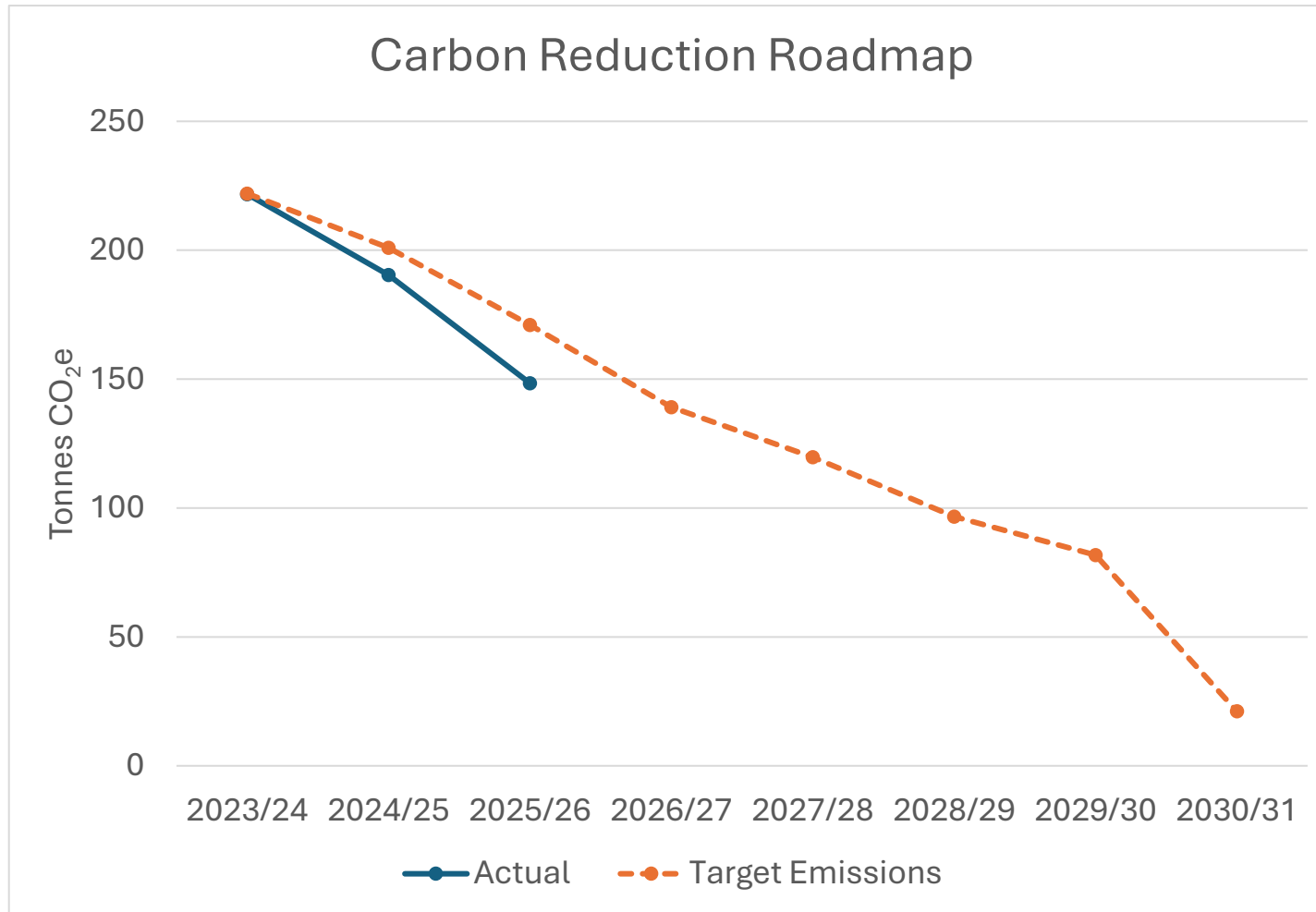
Pexhurst has also set the intermediate target below for our Scope 1 and 2 emissions:



Pexhurst does not currently offset any Greenhouse Gas (GHG) emissions from its operations. Instead, our focus is on reducing these emissions through the adoption of low carbon technologies and efficiency improvements.

Progress against these targets can be seen in the graph below:

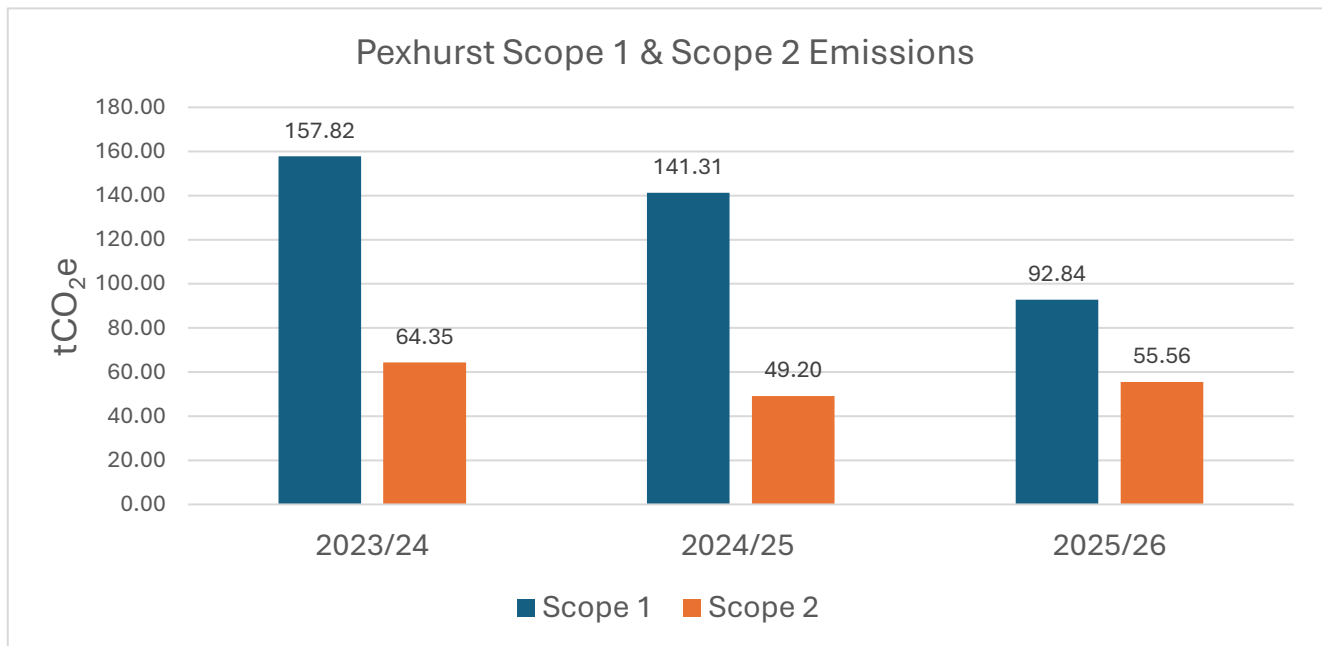
Carbon Reduction Roadmap (Scope 1 and 2 emissions)



Carbon Reduction Projects

Completed Carbon Reduction Initiatives

The following environmental management measures and projects have been completed or implemented since the 2023 baseline. The carbon emission reduction achieved by these schemes equate to 74 tCO₂e, a 33% reduction against the 2023 baseline and the measures will be in effect when performing the contract. The figure below displays our Scope 1 and 2 reduction efforts over previous reporting periods.



Scope 1

Gas use

Replacing our gas heating system with heat pumps doesn't make sense for us currently as a relatively new boiler has been installed at our Head Office. Therefore, as an intermediate measure, Pexhurst switched to a 10% renewable gas contract in 2024. This tariff is RGGO-backed (Renewable Gas Guarantees of Origin) allowing us to report both location-based and market-based carbon emissions figures. We acknowledge that the GHG Protocol does not currently recognise a market-based approach for calculating Scope 1 emissions, however we anticipate that this is likely to be reconsidered in forthcoming revisions to the framework. Therefore, we have opted to include market-based figures in our official carbon accounting.

Pexhurst's long term ambition is to overhaul our HVAC system by 2030, removing the need for wet heating throughout the building, thus removing gas use entirely.

Site fuel use

Transitioning to electric plant hire & HVO

The bulk of our emissions arising from fuel use across our projects is from powered access plant and temporary site power generators. To address emissions arising from powered access plant, we have implemented a new electric powered access procurement strategy. The purpose of this strategy is to prevent the use of diesel as much as possible throughout every stage of the powered access procurement process ensuring our site fuel emissions are minimised.

The first stage in this strategy is to prioritise the hire of electric fuelled plant as much as possible. In instances where an electric alternative is not available, we look to hire hybrid/bi-fuel plant fuelled by sustainably sourced HVO fuel. This will reduce emissions by at least 90% versus traditional diesel plant. Where electric/hybrid/bi-fuel plant alternative is not available, diesel plant can be hired but must be fuelled with sustainably sourced HVO where feasible. As a last resort, diesel plant can be procured and fuelled with diesel if no other option is available. When temporary site power is required, we look to hire diesel generators fuelled by sustainably sourced HVO where feasible to reduce remaining emissions by 90%.

In 2025/26, our approach has reduced our site fuel emissions by 29 tCO₂e versus our baseline year, a reduction of 71%. In the same reporting period, 88% of our total site fuel procurement was HVO with the remaining 12% being diesel.

Fleet

Transitioning to electric vehicles

We have changed the composition of our company car vehicle fleet, switching 100% of them to fully electric or plug-in hybrid vehicles. Following our fleet transition schedule, we aim for the remaining hybrid company cars to be transitioned over to electric by 2028. In 2025/26, 2 of the remaining 4 hybrids were transitioned over to EVs and another was sold leaving one remaining hybrid vehicle in our company car fleet. As such, our company car emissions decreased by 25 tCO₂e versus our baseline year, a reduction of 55%. To ensure any additional company cars to the fleet align to our commitment, we introduced an electric company car policy in 2025/26 which states EVs are to be favoured when procuring additional company cars where feasible going forwards.

Transitioning our operating fleet vehicles over to electric remains one of the most significant challenges in our journey to net zero. This is primarily due to practical constraints around the driving ranges of electric commercial vehicles and the availability of suitable charging infrastructure.

Despite this, our strategy is to first electrify the vehicles that are most feasible for us to transition, such as those which are kept overnight at our head office. For the remaining

operating fleet vehicles (<1 Tonne load capacity), we aim to transition these over to electric when they are due for renewal, starting from 2027. We continue to closely monitor advancements in electric vehicle technology and infrastructure to ensure we electrify our operational vehicles when it becomes commercially and practically viable to do so.

To ensure any additional operating vehicles to the fleet align to our commitment, we aim to introduce an electric operating vehicle policy in 2027.

Scope 2

Head Office

Energy Efficiency

LED PIR lighting has been installed throughout head office to reduce the energy consumption of the building.

Solar Panels

An array of solar panels was installed at our head office in 2018, reflecting our long-term commitment to reducing our emissions. Over its lifetime, over 172 MWh of electricity has been generated, equivalent to powering 49 average homes for a year. On a yearly basis, the array generates around 20-25% of our annual electricity needs.

Renewable Electricity

Alongside installation of PIR LED lighting and PV panels at our head office, in Q4 of 2024, Pexhurst made the strategic commitment to transition its head office electricity supply to a 100% REGO-backed renewable electricity contract. As such, in 2025/26, our head office electricity emissions have reduced by 20 tCO₂e using a market-based approach compared to our baseline year, a reduction of 100%.

Site Electricity Use

Pexhurst has opted to account for its electricity use on site under its Scope 2 emissions using the operational control approach of the GHG protocol, as we are the sole electricity user on site when we undertake works. Although we do not have control over electricity contracts and do not pay for our consumption, we are responsible for how we manage site operations and therefore have a responsibility to reduce our consumption as much as possible while present on site.

We therefore monitor our site electricity consumption across all our projects using the Smartwaste reporting tool. We also look to engage with our clients to understand their electricity tariff agreements and advise them on the benefits of 100% renewable tariffs where feasible.

We recognise that site electricity consumption is often reported as Scope 3. The forthcoming updates to the GHG Protocol are expected to provide further clarity, which may result in changes to this approach in the future.

Reducing our Scope 3 emissions

As part of our commitment to measuring and reducing our Scope 3 carbon emissions, we analysed our emissions using a spend-based approach.

Although this method is common, it does have its limitations as it ties emissions to the cost of goods and services. This can easily overstate carbon emissions, for example in times of high material costs or for activities that are mainly labour based. Therefore, we aim to reduce our reliance on spend-based conversion factors over time and replace with activity-based figures where possible.

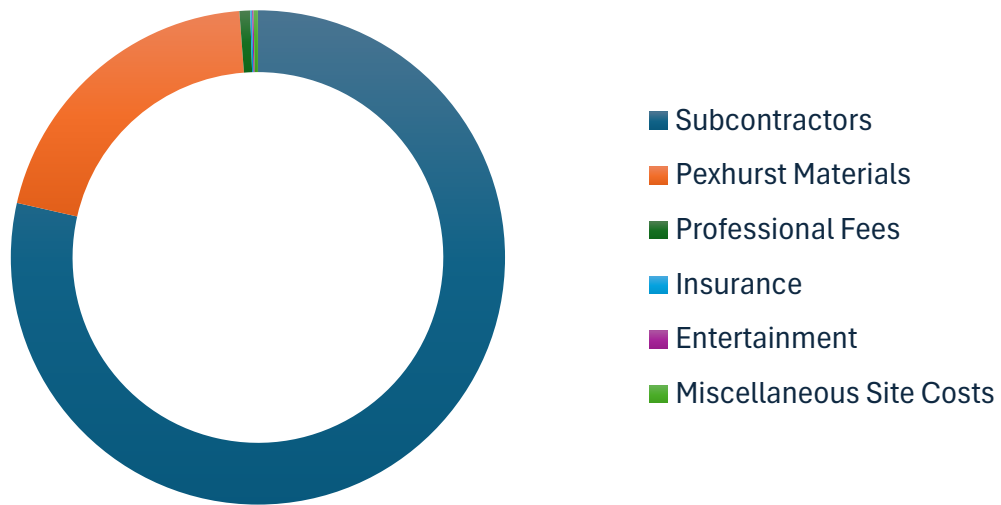
In 2024, we improved our understanding of our Scope 3 emissions through a comprehensive assessment across the business' operations. Our approach was to first undertake a 'first sweep' which identified 7 of the 15 categories as relevant to our operations.

Our initial analysis revealed that purchased goods and services accounts for the vast majority of our Scope 3 emissions (97.6%), and around 96.6% of our total annual carbon emissions. Within this category, the biggest contributor is our subcontractors within our supply chain, accounting for 78.5% of purchased goods and services carbon emissions (See PGS Breakdown below).

As stated above, we believe the carbon figures here to be significantly overstated as most of our subcontractor activity is simply labour on site, with the activity of that labour accounted for in other categories (e.g. use of plant and materials).

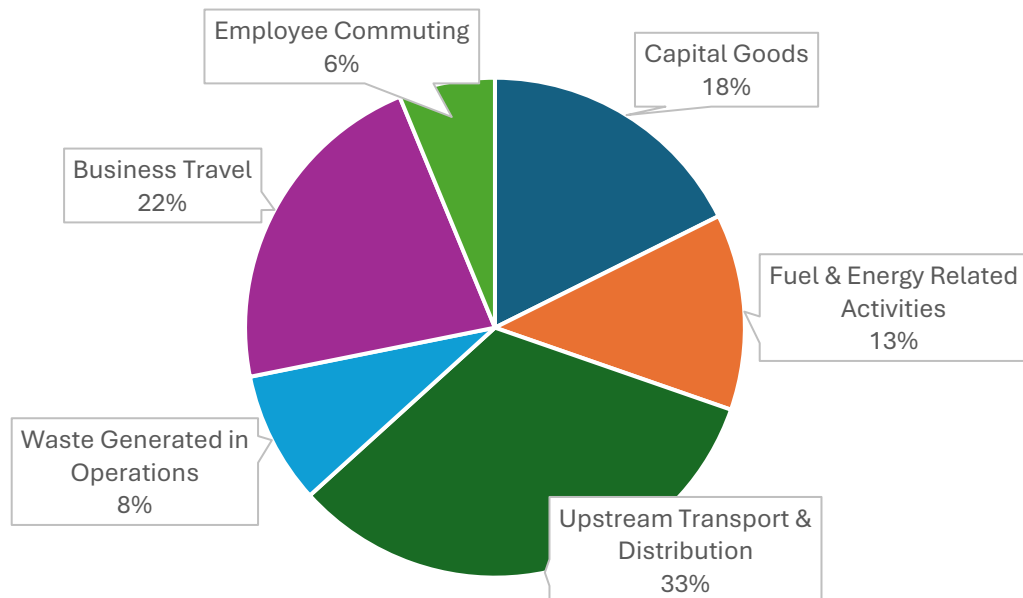
However, it is clear that subcontractors are the most significant part of our carbon footprint and we are focusing our efforts here going forwards as this represents the best opportunity for meaningful impact. Although we do not directly manage our subcontractors efforts to decarbonise, we can influence and support them towards making progress in this area.

A Breakdown of our 2025 Scope 3 purchased goods and services carbon emissions (tCO₂e)



Given that purchased goods and services comprise the majority of our Scope 3 emissions, they can mask the impact of other categories. To provide greater visibility, the figure below presents carbon emissions from our remaining Scope 3 categories, excluding purchased goods and services.

Scope 3 Emissions (without PGS)



- Capital Goods
- Fuel & Energy Related Activities
- Upstream Transport & Distribution
- Waste Generated in Operations
- Business Travel
- Employee Commuting

Reducing our scope 3 emissions (continued)

Our approach to reducing our scope 3 carbon emissions from the goods and services we purchase is focused on engaging with our subcontractor partners within our supply chain. To begin addressing our supply chain emissions, we have therefore developed a supply chain engagement strategy.

The aim of this strategy is to engage with and benchmark our subcontractor partners on their sustainability maturity followed by the delivery of sustainability support and training. This will equip them with the skills necessary to begin reporting and reducing their own carbon emissions. Our longer-term plan is to monitor their progress annually, incorporating their activity-based carbon emissions data into our Scope 3 reporting reducing our reliance on spend-based data and improving our reporting accuracy. This will give us a clearer picture of our Scope 3 emissions and support future reduction targets.

To ensure our supply chain engagement strategy is as impactful as possible, we are prioritising engagement with our most impactful subcontractor partners first. To do this, we have analysed various metrics such as spend per year, approximate carbon impact (calculated using spend-based factors) and work frequency to produce a 'top 10' list of subcontractor partners for us to target going forwards.

Strategy Development

In 2024, significant efforts were directed at improving and developing our Scope 1 and Scope 2 data to allow for the creation of an ambitious and credible carbon reduction strategy for these emissions. In 2025, we focused on both progressing this strategy to incorporate Scope 3 carbon emission figures as well as developing a supply chain engagement strategy to begin addressing them. In our next reporting period (2026/27), we look to achieve the following:

- Benchmark 'top 10' subcontractors on their sustainability maturity.
- Deliver sustainability support to 'top 10' sub-contractors and encourage them to begin reporting their own Scope 1 & 2 carbon emissions.
- Continue to implement and embed carbon reduction measures for our Scope 1 and 2 carbon emissions.

Declaration and Sign Off

This Carbon Reduction Plan has been completed in accordance with PPN 006 and associated guidance and reporting standard for Carbon Reduction Plans.

Emissions have been reported and recorded in accordance with the published reporting standard for Carbon Reduction Plans and the GHG Reporting Protocol corporate standard² and uses the appropriate Government emission conversion factors for greenhouse gas company reporting³.

Scope 1 and Scope 2 emissions have been reported in accordance with SECR requirements, and the required subset of Scope 3 emissions have been reported in accordance with the published reporting standard for Carbon Reduction Plans and the Corporate Value Chain (Scope 3) Standard⁴.

This Carbon Reduction Plan has been reviewed and signed off by the board of directors.

Signed on behalf of Pexhurst Services Limited:



.....

Martin Vella

Managing Director

Date: 06/05/2026

² <https://ghgprotocol.org/corporate-standard>

³ <https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting>

⁴ <https://ghgprotocol.org/standards/scope-3-standard>