



CARBON REDUCTION PLAN 2024



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Understanding and Commitment

At Ark Build PLC, sustainability is at the forefront of everything we do. We launched our first formal social value and sustainability strategy 10 years ago demonstrating our Understanding and Commitment to sustainability in our office and throughout our operation delivery. Since then, we have been accredited with ISO14001: 2004 and have a fully documented Environmental Management System.

We have evolved our strategies year on year and, most importantly, learned a significant amount from our peers, clients, and stakeholders about how to be a truly responsible business.

2023 saw the launch of our most recent environmental, social and governance (ESG) strategy, 'Right Thing First', setting ambitious goals to be achieved by 2028. This is a company-wide strategy to position a positive and sustainable business purpose at the centre of all our operations. Our vision is to meet the governments targets and be one of the country's leading refurbishment and construction services companies, delivering places that help people and businesses thrive.

Each corporate goal has a series of master KPIs, containing actions against targeted outcomes, with a series of recommendations to enable clear implementation and monitoring of progression.

A key component of the environmental pillar of our Right Thing First strategy is the short-term focus on decarbonising construction operations across our portfolio of work. Our approach here has evolved since its inception and over the last 6 months.

Whereas previously there was a focus on short term Net-Zero targets and a reliance on 3rd party certified offsetting schemes, recent developments have shifted our focus away from this approach. Challenges to the credibility of the offsetting market and revaluation of the short-term actions we should be taking in terms of decarbonisation have created the following new objective and targets:

Decarbonise Ark Build PLC operations by removing or avoiding more carbon than we emit by 2040.

- Reduce carbon emissions by 40%* by 2028.
- *Set a long-term target** aligned to SBTi net zero standard, reducing our emissions by 90%.*
- *Delivery of a 3rd party verified 'in-setting'*** programme with our supply chain and communities.*
- Begin to store or remove Ark Build PLC's historic carbon emissions from 2028.

The delivery of a 3rd party verified 'in-setting' scheme outlines our ambition to invest in initiatives that focus on immediate carbon reduction through the supply chain, support R&D in climate action where appropriate.

To support this, our Climate Change and Carbon Policy outlines our commitment towards a net zero carbon-built environment, specifically aiming to:

- Take a whole-life view of carbon in the projects we deliver.
- Deliver fossil fuel free construction operations, while optimising energy use on sites.

- Support our clients to operate net zero carbon buildings.
- Take a holistic view of sustainability through our delivery, balancing the drive to a low-carbon economy with that of both circular principles and delivering real social value.

We are committed to:

- Targeting net zero carbon in our operations in line with SBTi standards
- Collaborating with our supply chain and innovative organisations to support the uptake of new low-carbon technologies in the construction industry.
- Developing a strategy to measure and reduce embodied carbon through the projects we deliver.
- Creating an aftercare service and procedures to support our clients in operating their assets in line with the manufacturers best operating practice and original design intent.
- Developing and delivering carbon literacy training to all Ark Build employees, thereby working to integrate carbon reduction into the decision-making processes of our workforce.
- Utilising our experience to influence and support our clients in delivering a net zero carbon-built environment, striving for earlier engagement to maximise the opportunities to reduce embodied, construction and operational carbon.
- Identifying and ensuring compliance with relevant low-carbon planning requirements at national, regional and city level, and influencing industry best practice to ensure we are continually showing leadership and therefore driving revolutionary change.

This plan covers our carbon reduction strategy across 2 key services at Ark Build, being:

- Ark Build
- Ark MEP



Emission Dataset

Ark Build takes the financial control approach to the consolidation of its organisational boundary. We own our head office and equipment except for a small number of leased cars. According to GHG Protocol Corporate Standard on the categorisation of greenhouse gas (GHG) emissions associated with leased assets, emissions from leased assets which have operating leases, not finance/ capital leases, should be categorised as scope 3 under the financial control approach. As such the only scope 1 emissions of the Ark Build footprint are emissions from a small number of owned cars and under this approach Ark Build does not have any scope 2 emissions.

This approach has been influenced by our formation initially as a fit-out contractor, where electricity supplies on site are provided by our clients, but we recognise the need to capture a greater sphere of influence in terms of our carbon footprint. Initial plans were set out to capture our emissions in line with an operational control approach using 2020 as our new baseline. Unfortunately, with the onset of the Covid-19 pandemic, this exercise was put on hold until we transition to our ‘new’ normal way of operating and plan to re-baseline our carbon footprint across a broader set of scopes in 2024.

However, for information and in line with the 2024 baselining exercise set out above, we have split out the equity share of our emissions during the base year and in our current reporting year in line with an operational control approach. The table on the next page sets out where Ark Build PLC currently are in terms of reporting against the minimum emission scopes set out in PPN 06/21 and our plans to integrate further datasets across 2024.

Scope	PPN 06/21	Current Reporting Status	Year for inclusion
Scope 1	✓	Included within current report	Included
Scope 2	✓	Included within current report	Included
Scope 3 – Upstream transportation and distribution	✓	Emissions from the transportation and distribution of products purchased by Ark Build PLC between its Tier 1 suppliers and its own operations (in vehicles and facilities not owned or controlled by Ark Build PLC) are relevant because they contribute significantly to our total anticipated scope 3 emissions. In the past we calculated these emissions using data for key BREEAM projects and then extrapolating this based on revenue. However, during recent annual GHG calculations we excluded this given the extrapolation exercise was causing large fluctuations of scope 3 emissions; However, due to the relevance of this measure, we are committed to implement procedures to monitor these emissions in our 2024 reporting year.	2024
Scope 3 – Waste generated in operations	✓	Included within current report	Included
Scope 3 - Business travel	✓	Historically we have collected and reported emissions associated with business travel undertaken via car. After a move to a new travel booking service, we are reporting carbon emissions associated with car, trains, flights and ferries for business as of 2024.	Included
Scope 3 – Employee commuting	✓	We have established a new reporting procedure in line with GHG Protocol Corporate Standard to capture employee commuting emissions in 2024.	Included

Baseline Emissions 2024

Scope	Construction	MEP	Fit Out	Refurb	Total
Scope 1	1,138	437	1,072	1,194	3,841
Scope 2 (Market Based)	170	36	89	99	394
Scope 3 – Upstream transportation and distribution	n/a	n/a	n/a	n/a	n/a
Scope 3 – Waste generated in operations	75	45	16	78	214
Scope 3 - Business travel	798	98	362	143	1,401
Scope 3 – Employee commuting	n/a	n/a	n/a	n/a	n/a
Scope 3 – Downstream transportation and distribution	n/a	n/a	n/a	n/a	n/a
Scope 3 - Water	n/a	n/a	n/a	n/a	n/a
Scope 3 – Supply Chain fuel use	n/a	n/a	n/a	n/a	n/a
Scope 3 – Fuel- and energy-related activities	n/a	n/a	n/a	n/a	n/a
Total	2,181	616	1,539	1,514	5,850

Current Years Emissions 2025

Scope	Construction	Fit Out	Retail	Engineering	Total
Scope 1					
Scope 2 (Market Based)					
Scope 3 – Upstream transportation and distribution					
Scope 3 – Waste generated in operations					
Scope 3 - Business travel					
Scope 3 – Employee commuting					
Scope 3 – Downstream transportation and distribution					
Scope 3 - Water					
Scope 3 – Supply Chain fuel use					
Scope 3 – Fuel- and energy-related activities					
Total					

For calculating the carbon emissions reported, we used the internationally recognised Greenhouse Gas Protocol Corporate Accounting and Reporting Standard from the World Resources Institute and World Business Council for Sustainable Development, known as the GHG Protocol Corporate Standard. Our figures have undergone independent third-party verification (limited assurance).

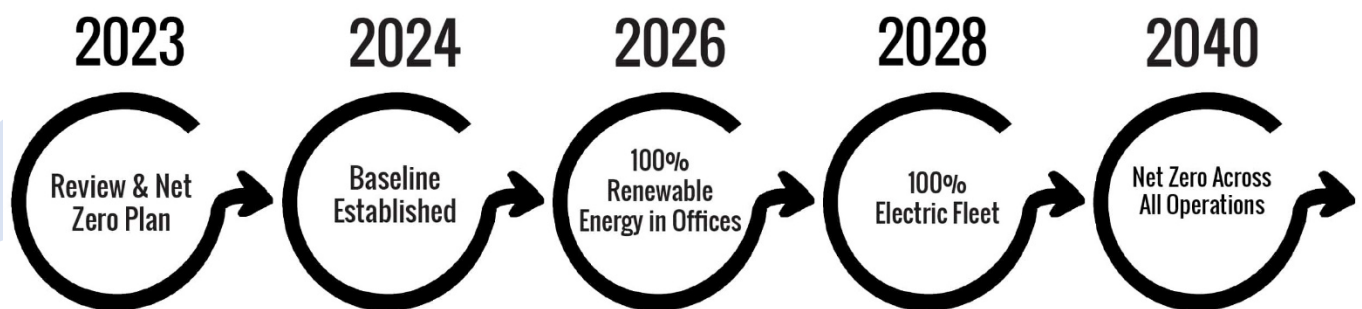


Carbon Reduction Targets

As noted in the baseline emissions section of this plan, we have taken the data collected under a financial control approach and aligned it with our plans to move to an operational control approach, targeting reductions based upon a 2024 baseline. Given the timeframes involved for this new baseline, we have used our baseline to set targets for operations and have realigned the scopes as if they were reported under an operational control approach. In doing this, it allows us to model a reduction trajectory and set targets in line with science-based methodologies. The graph and tables will set out year on year targets for our emission in line with this approach.

We are now moving towards capturing more of our scope 3 emissions. 2025 will be critical in the collation of new activity-based data sets, namely associated with scope 3 procurement of goods and services. An enhanced and broader set of carbon data will be critical to our next phase of moving towards certified Science Based Targets initiative (SBTi) targets.

Regarding scope 3 emissions reduction targets, we will be setting targets against a wider boundary once our new 2024 baseline has been recorded. For transparency the scopes below have been covered within our current targets:



Carbon Reduction Initiatives

The proposed reductions in our emissions for 2025 will largely be down to a change in behaviour in construction practice and site setup, alongside some policy developments.

Implementation of REGO renewables tariffs through our industry partner Sustainable Advantage has helped to secure green tariffs where Ark Build PLC is responsible for energy procurement on our sites.

A recent focus across Ark Build PLC has been the implementation of Electric Vehicles, biodeisel fuel and green technology in relation to our plant and machinery. We now have first-hand experience in using alternatively powered plant on our construction projects. In 2025, these further measures will help us reduce emissions across the business further:

- Our hybrid working policy, which has led to lower energy consumption at offices and sites.
- An increased proportion of larger, higher-value, longer-duration projects has resulted in: Faster connection to grid energy and reduced reliance on diesel-powered site generators / plant.
- More delivery staff dedicated to single sites rather than travelling to multiple projects.
- Increased use of hybrid / electric plant and machinery on sites.
- Incorporating renewable technologies for temporary power on project sites.
- A new travel & expenses policy, putting greater emphasis on sustainable travel and video conferencing.
- Introduction of an electric vehicles.

Further to our absolute carbon reduction target, specific sub targets have been identified and enacted from 2025. These include:

- 100% REGO back energy tariffs where Ark Build PLC are responsible for procuring supplies.
- 100% use of HVO where Ark Build PLC are procuring liquid fuel.
- 98% of construction & demolition waste diverted from landfill.
- Construction waste generation limited to 1.44Tns/£100k of revenue.

These sub targets have been aligned to identified risks and opportunities identified, allowing us to add in greater resilience to the strategy and delivery of our services. Further to supporting resilience in our strategy, these sub targets also aid in terms of our reputation and work winning as we meet greater sustainability requirements set out by our clients.

Certifications

ISO 9001: 2008 – Quality Management

ISO 14001:2004 – Environmental Management

Safe Contractor

Constructionline (Gold)

CHAS

FORS (Bronze) – Fleet Operator Recognition Scheme

Environmental Waste Licence

Memberships

In 2026 we are looking to be Planet Mark certified

Signoff

This carbon reduction plan has been reviewed by the company board of Directors. Their approval has been given to it being published on the Ark Build PLC website.

For and on behalf of Ark Build PLC

As of November 2024



Signed by: Michael Finaly

Managing Director