



# NET ZERO PATHWAY

# NET ZERO BY 2040:

## THE ARCUS FM COMMITMENT

As an award-winning facilities management company – technology led, people driven – Arcus is focused on fully embedding sustainability into the management and operation of the business, adopting environmental, social and governance (ESG) considerations and activities, and taking actions that result in improved, and where possible positive, social, economic, and environmental impacts.

Arcus recognises the urgency associated with tackling the climate crisis, as well as our customer and other stakeholder's expectations and goals in this space; which is all reflected in our commitment to be Net Zero by 2040 and to drastically reduce emissions by 2030. This net zero commitment is 10 years earlier than what both the UK Government and climate science have currently said is required to limit warming to 1.5°C above pre-industrial levels. This pathway also contributes to our air pollution reduction commitments outlined in our Sustainability Policy.



# DEFINING 'NET ZERO' & SETTING OUR TARGETS

Arcus' definition of 'net zero' is aligned with the Science Based Target Initiative (SBTi) Corporate Net Zero Standard definition:



Reducing scope 1, 2, and 3 emissions to zero or to a residual level that is consistent with reaching net-zero emissions at the global or sector level in eligible 1.5°C-aligned pathways

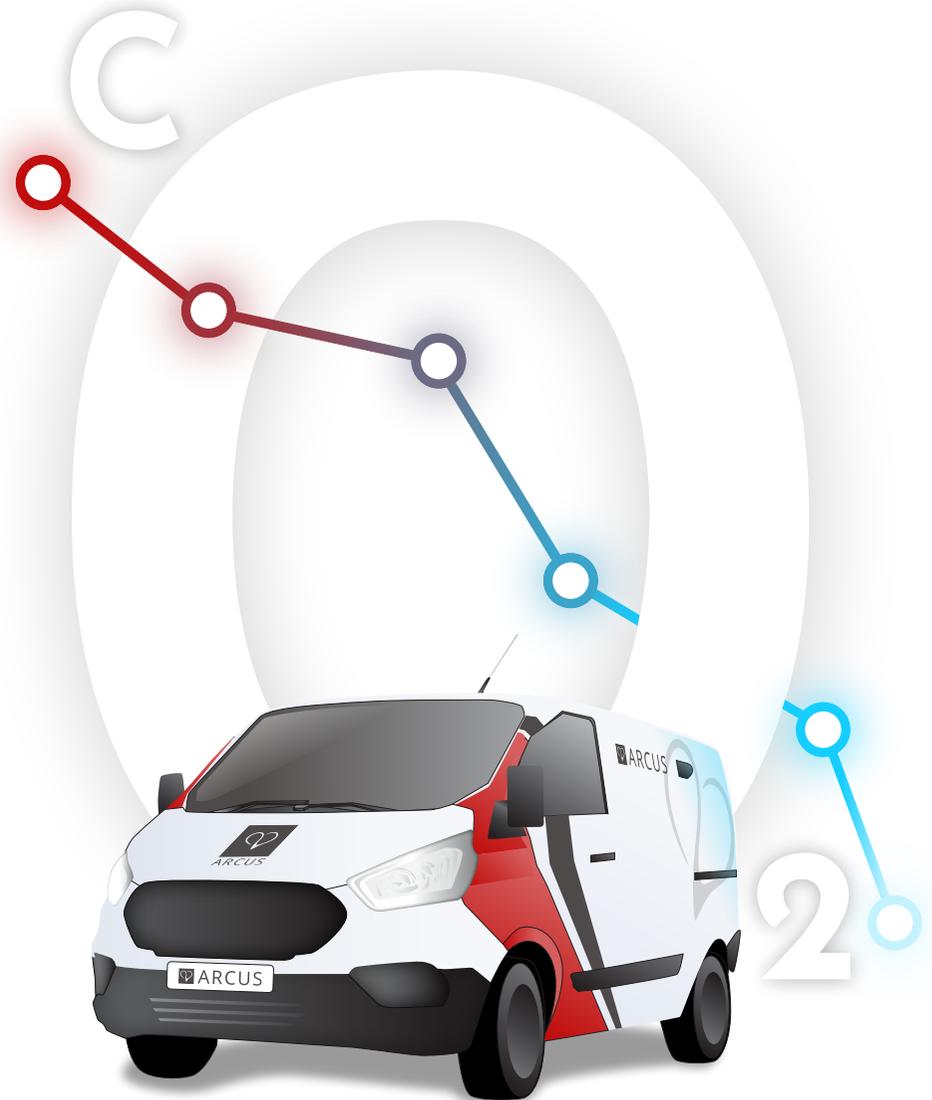


Neutralising any residual emissions at the net-zero target year and any Greenhouse Gas (GHG) emissions released into the atmosphere thereafter. As such, the SBTi Corporate Net Zero Standard has been used to review what constitutes meaningful and effective near-term targets and a long-term net zero target to ensure Arcus remains aligned with climate science and to safeguard the continued effective operation of Arcus in a zero-carbon economy. This common net-zero definition and framework has then been used to develop proposed science-based targets, which in turn have influenced the development of this pathway to achieve net zero by 2040.



**The priority for Arcus will be to reduce our emissions on an absolute basis year-on-year at a rate that aligns with a 1.5°C future. Arcus' formal commitments associated with this pathway are as follows:**

- ♡ Arcus commits to delivering a 90% reduction in scopes 1, 2 and 3 emissions (tCO<sub>2</sub>e) by 2040 from a 2021/22 financial year base year
- ♡ Arcus commits to achieving net zero by 2040 by neutralising residual emissions (10% maximum from a 2021/22 financial year base year)
- ♡ Arcus commits to establishing near-term science-based targets for both scope 1 and 2 (which will cover at least 95% of the target boundary) and scope 3 (which will cover at least 67% of the target boundary).



**The proposed near-term science-based targets that have been used to establish this pathway are as follows:**

- ♡ 42% reduction in scope 1 and 2 emissions (tCO<sub>2</sub>e) by 2030 from a 2021/22 base year
- ♡ 42% reduction in scope 3 emissions (tCO<sub>2</sub>e) by 2030 from a 2021/22 base year (67% coverage in target boundary).
- ♡ At the point of publication of this roadmap, our science-based near term and net zero targets had not been validated by the SBTi. The SBTi target setting tools and guidance have, however, been used and Arcus plan to go through the formal validation process.
- ♡ Arcus will take a market-based approach to reporting on Scope 2 emissions as part of our net zero strategy, however we will remain focused on location-based energy reduction as part of our wider sustainability goals.



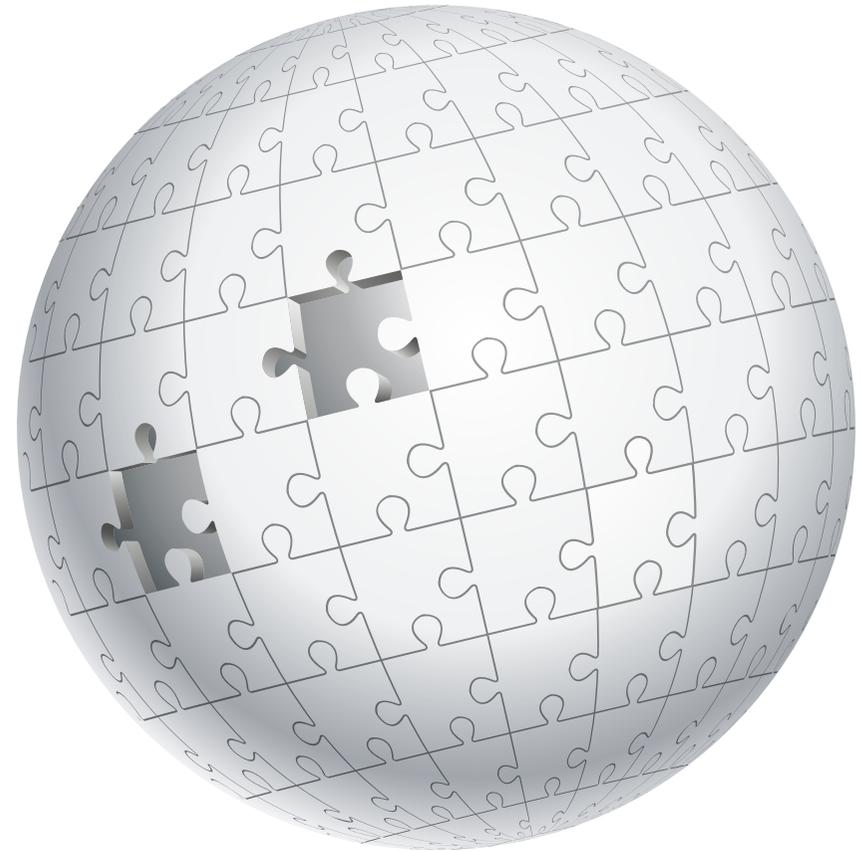
**We acknowledge the following gaps in this pathway and have plans in place to fill and address them:**



Arcus is yet to define our definitive approach to the neutralisation of residual emissions & offsetting strategy. This is explicitly included as an element for further consideration in this pathway document.



When establishing our baseline, some scope 3 emissions were estimated using benchmarks and proxy data where accurate data was not available. This pathway document outlines our approach to improving the data quality and completeness.

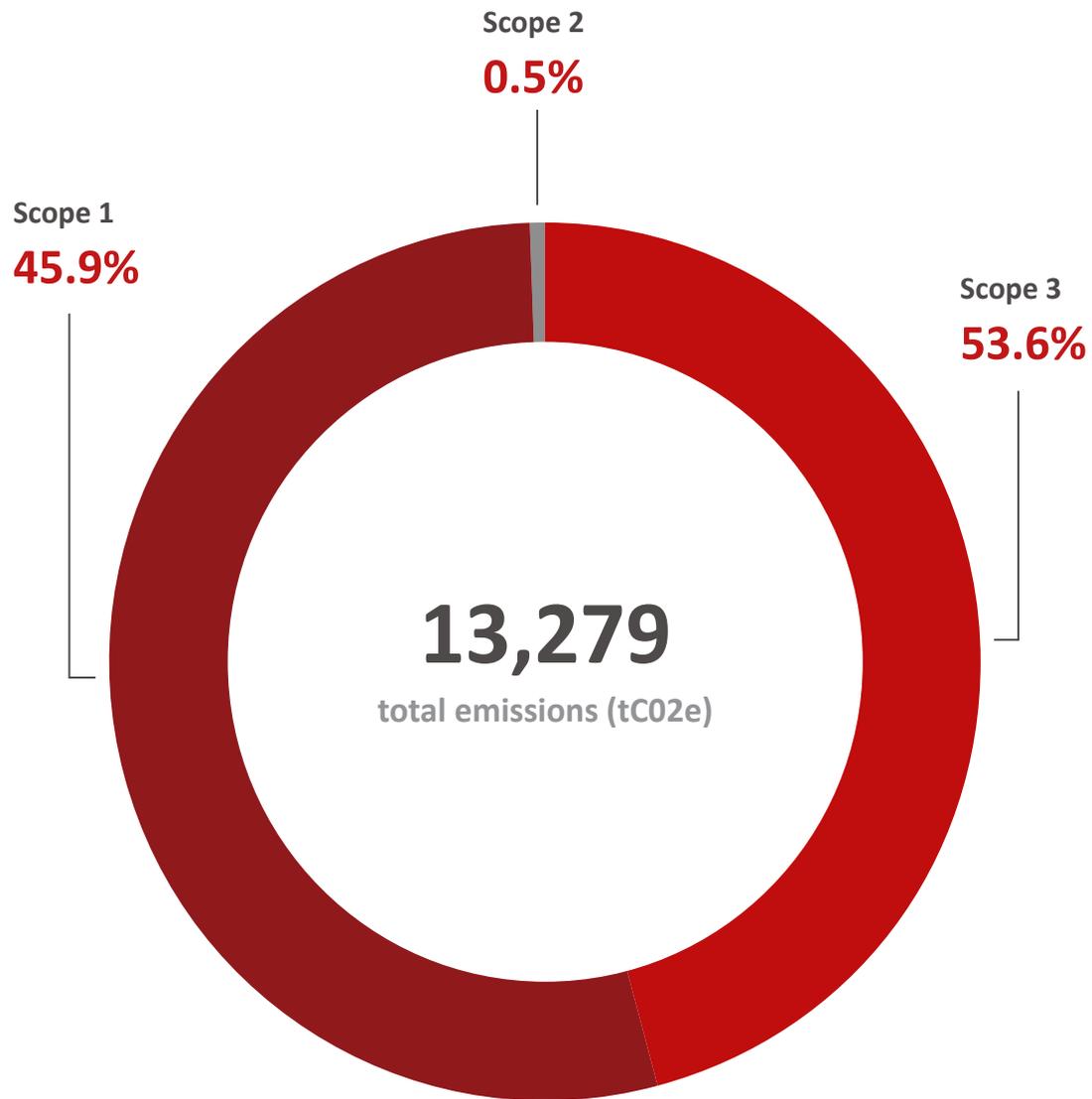


# NET ZERO DELIVERY BOUNDARY & CARBON FOOTPRINT BASELINE

**We have set the 2021/22 financial year as our baseline as this is the year where we have the most accurate data and it largely falls after the period where emissions were disrupted by COVID-19.**

Arcus uses both 'ISO 14064-1:2018 - Greenhouse gases — Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals' and the Greenhouse Gas Protocol as a guideline for accounting and reporting greenhouse gas emissions.





**SCOPE 1:**

- Natural gas use on Arcus Estate sites\*
- Refrigerant use on Arcus Estate sites\*
- Generator use on Arcus Estate sites\*
- Company vehicles (van fleet and company cars).

**SCOPE 2:**

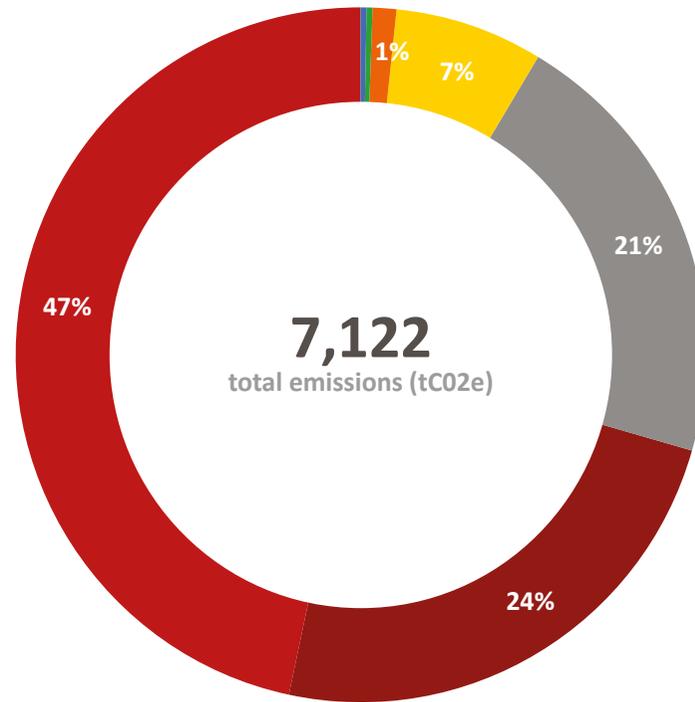
- Purchased electricity for use on Arcus Estate sites\*.

\*The term 'Arcus Estate sites' refers to all office and training centre locations that Arcus colleagues operate from and either wholly occupy or partially occupy as a result of shared tenancy arrangements.

A full scope 3 emissions scoping exercise has been undertaken to establish the baseline using The Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Standard.

**SCOPE 3** (emissions deemed relevant to Arcus operations):

- Supply chain (purchased goods and services, capital goods and upstream leased assets)
- Extraction, production and transportation of fuel (well-to-tank)
- Employee commuting
- Business travel (air, rail, underground, taxi, bus, ferry and personal and hire car)
- Homeworking
- Waste Disposal
- Electricity transmission & distribution
- Electric van electricity consumption at employee homes and at public charge points
- Water supply and treatment

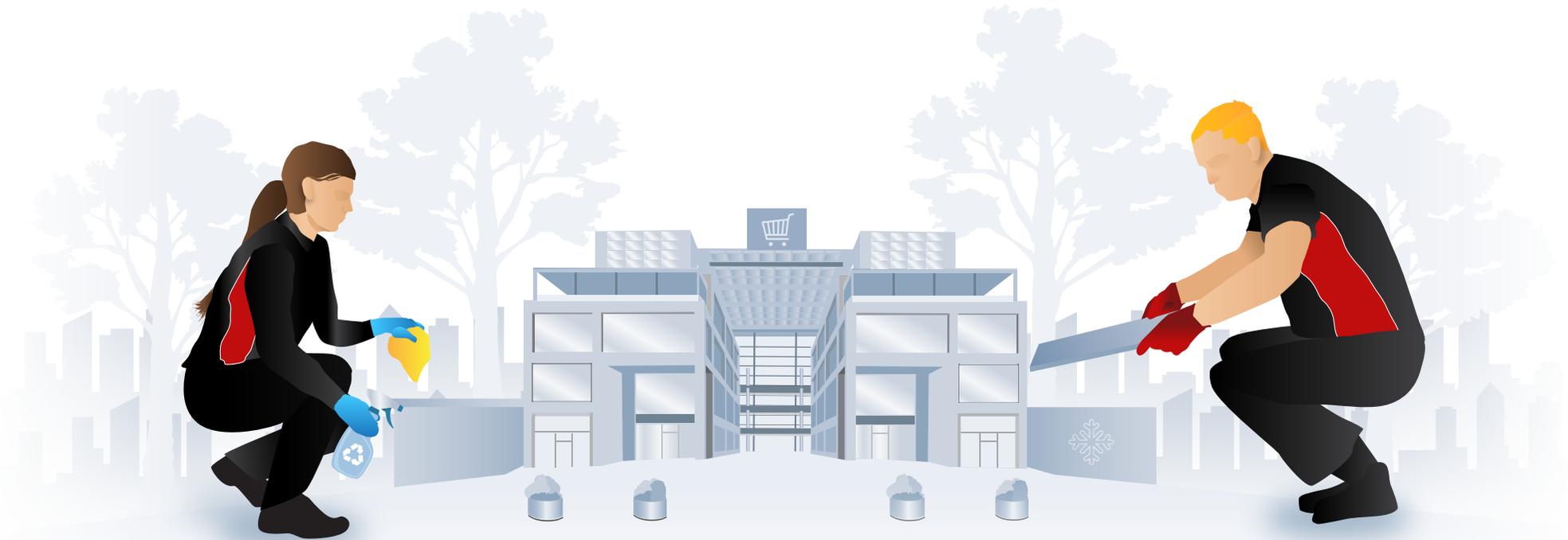


**FURTHER INFORMATION ABOUT SCOPE 3 DEFINITIONS IN THE CONTEXT OF ARCUS:**

- Homeworking includes emissions from all colleagues who undertake teleworking regardless of whether this is on a contractual or flexible working basis.
- Employee commuting includes all colleagues who commute to a usual place of work. ‘Usual place of work’ means one specific location that colleagues travel to on a regular basis to carry out their job (e.g. Arcus Estate site, client site etc.). Colleagues whose contract states they are field based, and who travel to different sites as part of their role, and claim the expenses for this travel via the expense system are not classed as commuting. This is classed as business travel.
- Water supply and treatment accounts for water use and treatment from Arcus Estate sites only.

All emissions data is verified to a limited-assurance level by an independent third-party under the ISO 14064-3 standard.

Our net zero commitment and delivery pathway covers all scope 1, scope 2 and scope 3 emissions outlined above and applies to all greenhouse gas (hereafter ‘GHG’) emissions, not just carbon dioxide.



Our scope 3 emissions do not include the activities carried out on client sites; however, we recognise that as a facilities management company we can positively influence the net zero and wider sustainability ambitions of our clients via the services that we deliver. Using proactive and practical client engagement we aim to influence decisions that can positively impact, amongst others:

- **REFRIGERANT MANAGEMENT** – via our refrigeration contracts we can support clients to reduce their scope 1 emissions by effective and proactive maintenance of refrigeration and air conditioning equipment.
- **PROJECT DELIVERY** – supporting clients via our Arcus Projects Services team by embedding sustainability considerations into project scoping and delivery and providing clients with sustainability focused solutions e.g. carbon reduction, circular economy, biodiversity protection and enhancement etc.
- **ELECTRICITY / GAS CONSUMPTION** – providing innovative solutions which allow clients to improve energy efficiency leading to a reduction in energy consumption and carbon footprint.
- **WATER USE** – providing innovative solutions which allow clients to reduce their water consumption, and therefore, indirectly, their carbon footprint.



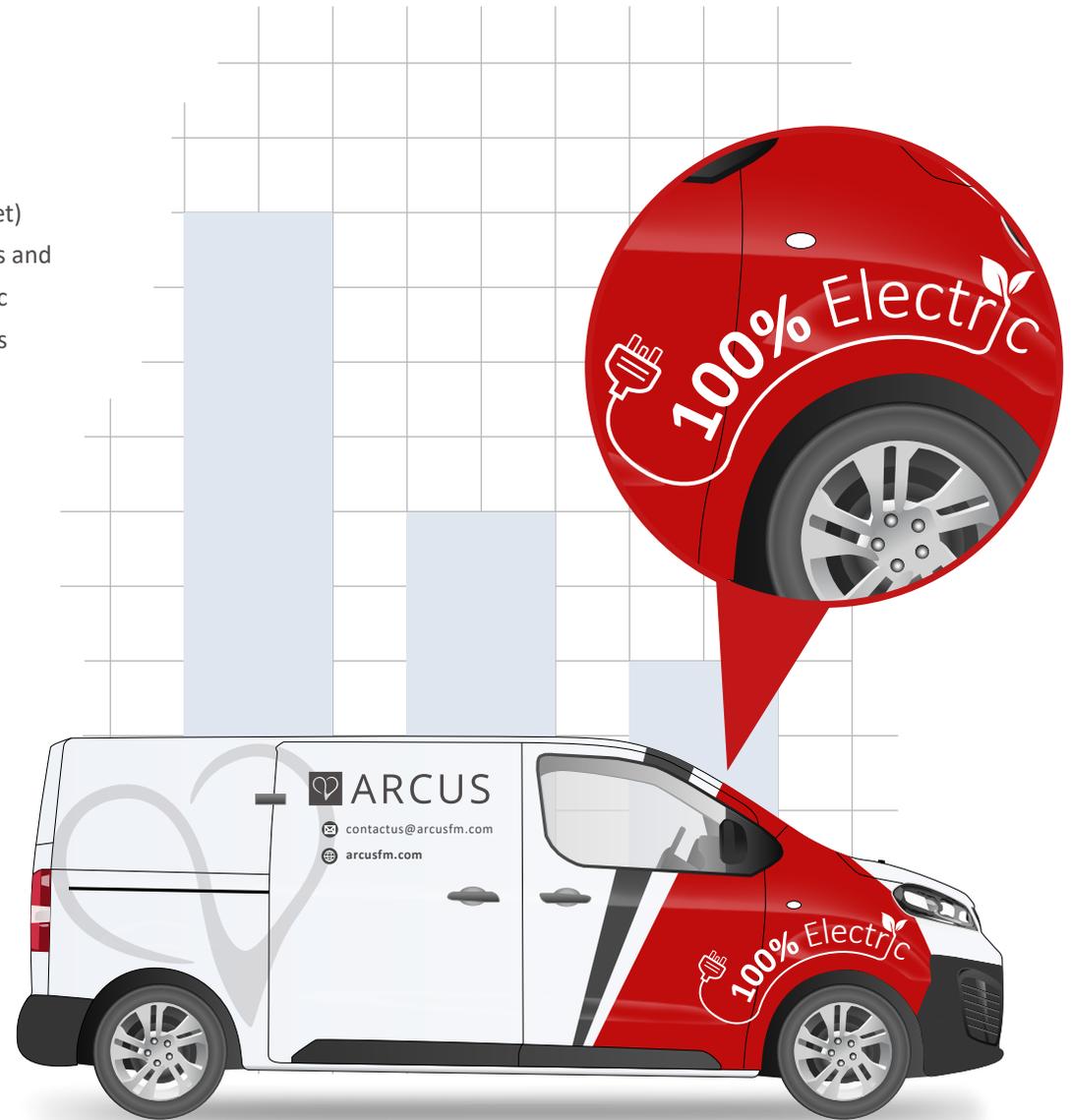
# OUR PATHWAY ACTION AREAS

# 01 PATHWAY ACTION AREA 1: TRANSPORT

Transport associated with the operation of Arcus constitutes 73% of our baseline emissions. Our transport emissions fall within scope 1 (fuel use for our vehicle fleet) and scope 3 (company electric vehicle electricity consumption at employee homes and at public charge points; electricity transmission & distribution for company electric vehicles; extraction, production, and transportation of fuel [well-to-tank]; business travel in personal cars and public transport; and employee commuting). As such, transport will be one of the most influential areas for realising our net zero goals.

## KEY ACTIONS IN THIS AREA INVOLVE:

- A. Transitioning our van fleet to zero emission vehicles.
- B. Transitioning our company cars to zero emission vehicles.
- C. Reducing business travel mileage in personal cars.
- D. Encouraging use of sustainable forms of public transport for business travel.
- E. Encouraging and supporting colleagues to make the transition to zero emission personal vehicles for business travel.
- F. Encouraging and supporting colleagues to make more sustainable commuting choices.
- G. Improving virtual meeting technology at our Arcus Estate sites.



# 02 PATHWAY ACTION AREA 2: ARCUS ESTATES & HOME WORKING

The scope of this pathway action includes utility (gas and electricity) and water consumption at Arcus Estates sites and GHG emissions associated with colleague home working. All of our Arcus Estate sites are leased and several are landlord controlled meaning that a collaborative approach to delivering net zero will need to be taken.

## KEY ACTIONS IN THIS AREA INVOLVE:

- A.** Energy optimisation and removing energy waste from Arcus sites.
- B.** Increasing the use of renewable energy from additional sources.
- C.** Decarbonising heating systems.
- D.** Reducing water usage and wastage.
- E.** Encouraging and supporting colleagues to make more sustainable energy choices at home.



# 03 PATHWAY ACTION AREA 3: SUPPLY CHAIN & WASTE

Purchased good and services and waste constitutes 25% of our baseline emissions. Net zero delivery is highly interlinked with, and dependent upon, the minimisation of raw material extraction, the need to design out waste and move from a linear to a circular economy which is why there is a significant focus on these elements in this pathway.

## KEY ACTIONS IN THIS AREA INVOLVE:

- A.** Developing and applying a supply chain net zero maturity assessment and engagement framework.
- B.** Collaborating with Supply Chain partners to drive down GHG emissions related to Arcus' purchased goods and services, capital goods, and upstream leased assets.
- C.** Supporting to upskill Supply Chain partners that lack net zero and sustainability resource and expertise.
- D.** Embedding waste reduction, re-use and recycling and circular economy practices throughout our supply chain and operations.



# 04 PATHWAY ACTION AREA 4: TECHNOLOGY & INNOVATION

At Arcus, Technology and Innovation are two of our five strategic pillars. Although not directly linked with specific emission scopes or activities, technology and innovation will be essential to achieving net zero. At Arcus, we do not underestimate the challenge associated with net zero delivery, so we are committed to embracing and encouraging the review, trialing and use of new technology and other sustainability innovations and will prioritise partners and suppliers who offer innovative solutions which will help deliver our Net Zero Pathway.

## KEY ACTIONS IN THIS AREA INVOLVE:

- A.** Prioritising innovation and sustainable technology to enhance and accelerate the net zero transition.
- B.** Continually reviewing technology developments and sustainability innovations to keep up to date.
- C.** Encouraging sustainability and net zero innovation throughout the whole value chain.
- D.** Reviewing air conditioning developments and adopting new technology within Arcus Estate sites where required.



# 05 PATHWAY ACTION AREA 5: RESIDUAL EMISSION OFFSETTING

Arcus understands that emission offsetting is not a substitute for deep and direct emissions reductions as detailed in the near-term and long-term net zero SBTs. We will therefore prioritise energy efficiency and GHG reduction measures, with the use of residual emission offsetting, in quantities that are aligned with the SBTi Corporate Net Zero standard, as a final measure.

## KEY ACTIONS IN THIS AREA INVOLVE:

- A.** Once all energy efficiency and emissions reduction measures have been implemented, all residual emissions up to the maximum of 10% of our baseline emissions will be offset.
- B.** Careful consideration as to the type of emissions offsetting adopted must be undertaken to ensure they are effective (i.e. removing carbon from the atmosphere and permanently storing it), certified, and that undesired environmental, social and governance (ESG) trade-offs are avoided i.e. land-based removal methods should be balanced to avoid food security and land rights issues.





# OUR PATHWAY ACTION AREA DETAILS

**ACTION AREA**

**OUTCOMES / AIMS**

**REPORTING METRIC(S)**

**TRANSPORT**

Near-term (by 2030): 60% reduction in scope 1 emissions  
Near-term (by 2030): 48% reduction in scope 3 emissions  
Long-term (by 2040): 100% reduction in scope 1 emissions  
Long-term (by 2040): 90% reduction in scope 3 emissions

- Percentage (%) of zero emission vehicles in fleet
- Number of business miles driven in personal cars
- Percentage (%) of business miles driven in zero emission vehicles
- Percentage (%) of hire car journeys driven in zero emission vehicles
- Percentage (%) of business travel undertaken in sustainable forms of public transport
- Percentage (%) of commuting undertaken by walking, bicycling, or on sustainable forms of public transport

**ARCUS ESTATES & HOME WORKING**

Near-term (by 2030): 100% reduction in scope 2 emissions (market-based)  
Long-term (by 2040): 50% reduction in scope 3 emissions

- Total energy consumed by Arcus Estates sites
- Percentage (%) of Arcus Estates energy consumption from renewable, additional sources
- Total water consumed by Arcus Estates sites
- Percentage (%) of colleagues who undertake home working with renewable energy contracts

**SUPPLY CHAIN & WASTE**

Near-term (by 2030): 10% reduction in scope 3 emissions  
Long-term (by 2040): 75% reduction in scope 3 emissions

- Percentage (%) of suppliers that we can get primary goods and services GHG emissions data from.
- Percentage (%) reduction of GHG emissions from purchased goods and services.
- Total waste produced by Arcus (tonnes).
- Percentage (%) increase of waste recycled and re-used.

**TECHNOLOGY & INNOVATION**

Emissions reductions in line with the above aims and overall targets.

- Percentage (%) of suppliers offering sustainability innovation which will contribute towards net zero delivery.

**RESIDUAL EMISSION OFFSETTING**

Long-Term (by 2040): Maximum 10% of baseline emissions to be offset.

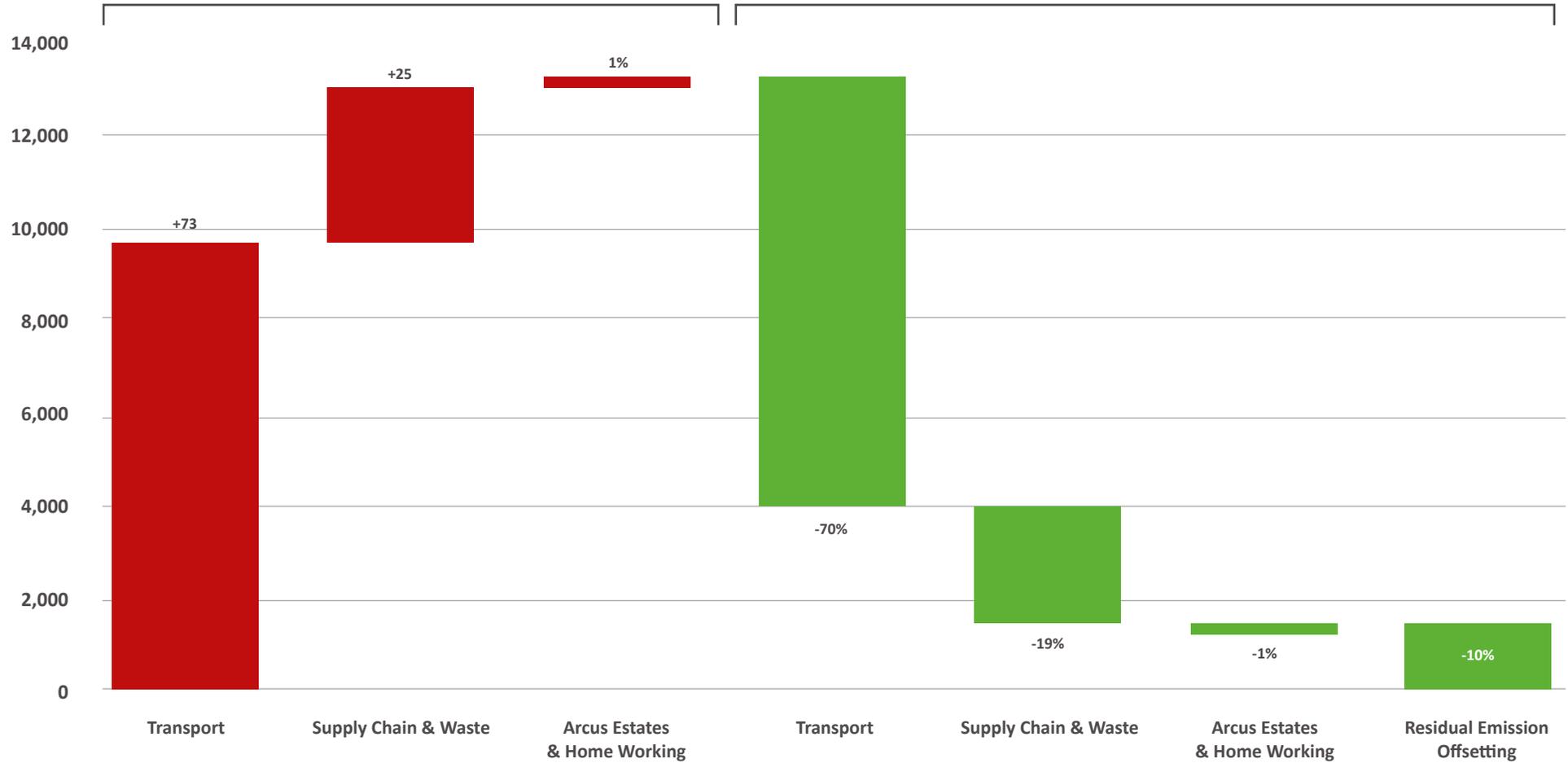
- Percentage (%) of emissions that are offset.

**BASELINE EMISSIONS**

13,279 tCO2e / year

**DECARBONISATION AND NEUTRALISATION**

13,279 tCO2e



# 2022/23 ARCUS FINANCIAL YEAR

- Arcus makes commitment to be Net Zero by 2040 and publishes Net Zero by 2040 Pathway.
- Arcus makes formal commitment to set science-based near-term targets and a science-based net zero by 2040 target which will be validated by the SBTi.

ACTION AREA	ACTION	OUTCOME / AIM	DELIVERY / MANAGEMENT
<b>TRANSPORT</b>	Transitioning our van fleet to zero emission vehicles - Continue with electric van trial.	Successful completion of electric van trial which will equip us to place a larger electric van order.	Ongoing evaluation of the electric van trial to review and understand the impact of full electrification on the business so this can be properly planned for, and next steps fully embedded into the Net Zero pathway.
<b>TRANSPORT</b>	Reducing business travel mileage in personal cars.	1,000,000 grey fleet mile reduction.	Successful implementation of the 1,000,000 grey fleet mile reduction target and initiative via internal communications.
<b>ARCUS ESTATES AND HOME WORKING</b>	Increasing the use of renewable energy from additional sources.	All new Arcus Estate sites to have renewable electricity and 'green gas' supplies in place or have plans to switch to this once current utilities contracts expire.	<p>Policy and processes to be embedded which mandates this requirement.</p> <p>Renewable electricity to be backed by Renewable Energy Guarantees of Origin (REGO) certificates or equivalent.</p> <p>Green gas to be backed by Renewable Gas Guarantee of Origin certificates or carbon credits from qualified and registered projects or equivalent.</p>



ACTION AREA	ACTION	OUTCOME / AIM	DELIVERY / MANAGEMENT
<b>SUPPLY CHAIN &amp; WASTE</b>	Developing and applying a supply chain net zero maturity assessment and engagement framework.	An established understanding of key supplier net zero maturity.	<p>Identify suppliers that fall into the top emitting sectors based on outcomes of scope 3 emission scoping exercise so a targeted approach can be taken.</p> <p>Engage these suppliers to understand net zero maturity and opportunities to support our transition to net zero.</p>
<b>SUPPLY CHAIN &amp; WASTE</b>	Embedding waste reduction, re-use and recycling and circular economy practices throughout our supply chain and operations.	An established understanding of key supplier circular economy potential.	<p>Identify key suppliers with greatest waste reduction and circular economy potential so a targeted approach can be taken.</p> <p>Engage with these suppliers to identify improvement opportunities.</p>
<b>SUPPLY CHAIN &amp; WASTE</b>	Embedding waste reduction, re-use and recycling and circular economy practices throughout our supply chain and operations.	Internal recycling target launch.	<p>Internal recycling target to obtain Board approval.</p> <p>Internal communications and engagement mechanisms to be implemented.</p>



# 2023-2025

- Secure SBTi validation that our near-term targets and long-term net zero target aligns with a 1.5°C future.

ACTION AREA	ACTION	OUTCOME / AIM	DELIVERY / MANAGEMENT
TRANSPORT	Transitioning our van fleet to zero emission vehicles.	25% of company vehicles to be zero-emission.	Ordering and roll out of additional electric vans into the fleet.
		100% of new company cars to be zero-emission.	Any new company car orders will be zero emission only by 2025 (alternative = colleague opts to receive car allowance).
TRANSPORT	Encouraging and supporting colleagues to make the transition to zero emission personal vehicles for business travel; Encouraging and supporting colleagues to make more sustainable commuting choices.	Improved uptake of electric vehicle salary sacrifice scheme.	Continue to drive awareness of electric vehicle salary sacrifice scheme via case studies and benefits promotion communications.
		Increased number of employees using cycling as their preferred commuting method.	Explore how the business can support colleagues who aren't eligible for the cycle to work scheme (based on minimum wage restrictions).
TRANSPORT	Improving virtual meeting technology at our Arcus Estates sites.	Increase in number of hybrid meetings held	Investment in virtual meeting technology to provide confidence that hybrid meetings (i.e. mix of in-person and remote attendees) will still be effective therefore reducing business travel requirements.
ARCUS ESTATES AND HOME WORKING	Increasing the use of renewable energy from additional sources.	100% of electricity use on all existing Arcus Estate sites to be from additional renewable sources (where contracts allow by this time).	Ensure renewable electricity is from additional sources and 'green gas' is being procured (where contracts allow) for all Arcus Estate sites via collaboration with landlords.
		All new Arcus Estate buildings to have renewable electricity and 'green gas' supplies in place.	Determine feasibility of Power Purchase Agreements.



2022/23

2023 - 2025

2025 - 2030

2030 - 2040

ACTION AREA	ACTION	OUTCOME / AIM	DELIVERY / MANAGEMENT
<b>ARCUS ESTATES AND HOME WORKING</b>	Energy optimisation and removing energy waste from Arcus sites	Reduce energy use as far as practicable.  All new Arcus Estate buildings to be EPC rating A.	Implement all reasonable energy optimisation and efficiency opportunities within Arcus buildings identified via energy audits and action delivery.  Ensure any new Arcus Estate sites are aligned with net zero goals.  Policy and processes to be embedded which mandates A rating requirement.
<b>SUPPLY CHAIN &amp; WASTE</b>	Supporting to upskill Supply Chain partners that lack net zero and sustainability resource and expertise.	Upskilling workshops held with all high emitting supply chain partners who lack net zero and sustainability resource and expertise.	Develop targeted list of suppliers that fall into this category and hold upskilling workshops.
<b>SUPPLY CHAIN &amp; WASTE</b>	Collaborating with Supply Chain partners to drive down GHG emissions related to Arcus' purchased goods and services, capital goods, and upstream leased assets.	All key suppliers to have net zero targets, pathways, and reporting mechanisms implemented.	Engage and support key suppliers with the development of net zero targets, pathways, and reporting mechanisms.
<b>SUPPLY CHAIN &amp; WASTE</b>	Embedding waste reduction, re-use and recycling and circular economy practices throughout our supply chain and operations.	60% waste recycled by March 2024	Engage colleagues and suppliers to increase waste recycling rates.  Implement initially identified supplier collaboration waste reduction and circular economy opportunities.  Increase engagement with waste service providers to improve understanding of waste treatment practices and positively influence improvements.



# 2025-2030

- Near-term science-based targets to be achieved by 2030.
- \*UK GOVERNMENT PLAN - Sales of new petrol and diesel cars & vans to end by 2030\*

ACTION AREA	ACTION	OUTCOME / AIM	DELIVERY / MANAGEMENT
<b>ARCUS ESTATES AND HOME WORKING</b>	Decarbonising heating systems.	Clear decarbonisation plan to be in place.	Develop and cost plan for removal of all gas boilers (under Arcus' control).
<b>ARCUS ESTATES AND HOME WORKING</b>	Reducing water usage and wastage.	Reduce water use as far as practicable.	Implement all reasonable water optimisation and savings opportunities within Arcus Estate sites.
<b>ARCUS ESTATES AND HOME WORKING</b>	Increasing the use of renewable energy from additional sources.	100% of electricity use on Arcus Estate sites (existing and new) to be from additional renewable sources.  100% of gas use on Arcus Estate sites (existing and new) to be via a 'green gas' supply.	Ensure renewable electricity is from additional sources and 'green gas' supplies are being procured for all Arcus occupied buildings via collaboration with landlords.
<b>TRANSPORT</b>	Transitioning our van fleet to zero emission vehicles.	60% of company vehicles (cars and vans) to be zero-emission (where technologically / operationally feasible).	Replace 60% of van fleet with zero emissions vans where technologically / operationally feasible by 2030.  Review hire van process to ensure procurement is aligned with our zero-emission fleet transition.



ACTION AREA	ACTION	OUTCOME / AIM	DELIVERY / MANAGEMENT
<b>TRANSPORT</b>	Transitioning our van fleet to zero emission vehicles.	60% of company vehicles (cars and vans) to be zero-emission (where technologically / operationally feasible).	<p>Replace 60% of van fleet with zero emissions vans where technologically / operationally feasible by 2030.</p> <p>Review hire van process to ensure procurement is aligned with our zero-emission fleet transition.</p>
<b>TRANSPORT</b>	Reducing business travel mileage in personal cars; Encouraging use of sustainable forms of public transport for business travel; Encouraging and supporting colleagues to make the transition to zero emission personal vehicles for business travel.	<p>Emissions associated with diesel and petrol personal vehicles used for business travel to be reduced by 50% by 2030.</p> <p>All hire car usage to be zero emission by 2030.</p>	<p>Relevant zero emission hire car policy to be embedded.</p> <p>Controls to be implemented by Fleet department in relation to zero emission hire car policy.</p> <p>Strengthen Ways of Working (hybrid working) policy. Strengthen grey fleet mileage reduction target.</p> <p>Business travel and electric vehicle internal communication campaign delivery.</p>
<b>TRANSPORT</b>	Encouraging and supporting colleagues to make more sustainable commuting choices.	Emissions associated with employee commuting to be reduced by 33% by 2030.	<p>Strengthen Ways of Working policy.</p> <p>Commuting internal communication campaign delivery.</p>



ACTION AREA	ACTION	OUTCOME / AIM	DELIVERY / MANAGEMENT
<b>SUPPLY CHAIN &amp; WASTE</b>	Developing and applying a supply chain net zero maturity assessment and engagement framework.	67% of suppliers' maturity to have been assessed and to have received direct engagement.	Develop supply chain net zero maturity and engagement framework for 67% of suppliers.
<b>SUPPLY CHAIN &amp; WASTE</b>	Collaborating with Supply Chain partners to drive down GHG emissions related to Arcus' purchased goods and services, capital goods, and upstream leased assets.	Progress against net zero targets and pathways to be reported by suppliers.  10% reduction in purchased goods and services emissions to be achieved by 2030.	Engage key suppliers to drive the delivery of net zero targets and pathways.  Collaborate with key suppliers to ensure GHG reduction measures are targeting goods and services procured by Arcus.
<b>SUPPLY CHAIN &amp; WASTE</b>	Embedding waste reduction, re-use and recycling and circular economy practices throughout our supply chain and operations	Eliminate all emissions associated with waste to landfill by 2030.  Circular economy principles to be embedded for most handled materials.	Increase engagement with waste service providers to remove waste to landfill.  Change approved waste service providers where necessary.  Strengthen recycling and reuse target. Implement identified supplier collaboration waste reduction and circular economy opportunities for our most used materials.  Begin to engage with suppliers on our less commonly used materials & smaller suppliers to consider opportunities.



# 2030-2040

- By 2040, achieve net zero emissions.
- By 2040, offset any residual emissions
- \*UK GOVERNMENT PLAN - All new cars and vans to be fully zero emission at the tailpipe by 2035\*

ACTION AREA	ACTION	OUTCOME / AIM	DELIVERY / MANAGEMENT
<b>ARCUS ESTATES AND HOME WORKING</b>	Decarbonising heating systems.	Clear decarbonisation plan to be in place.	Adoption of technology developments and innovative solutions.  Collaboration with landlords.
<b>ARCUS ESTATES AND HOME WORKING</b>	Increasing the use of renewable energy from additional sources.	Reduce the amount of purchased renewable electricity and increase amount of self-generated electricity.	Explore options for installing on-site renewable electricity generation technology & battery storage where possible to assist with reducing demand on the grid.
<b>ARCUS ESTATES AND HOME WORKING</b>	Encouraging and supporting colleagues to make more sustainable energy choices at home.	50% reduction in emissions associated with home working.	Awareness campaign delivery.
<b>TRANSPORT</b>	Encouraging and supporting colleagues to make the transition to zero emission personal vehicles for business travel.	All personal vehicles used for business travel to be zero emission by 2035.	By 2035 employees using personal diesel or petrol cars for business travel won't be reimbursed for mileage after this date.
<b>TRANSPORT</b>	Transitioning our van fleet to zero emission vehicles.	100% of company vehicles (cars and vans) to be zero-emission (where technologically / operationally feasible) by 2035	Replace all van fleet with zero emissions vans where technologically / operationally feasible.  Hire van process to only source zero emission vehicles.



ACTION AREA	ACTION	OUTCOME / AIM	DELIVERY / MANAGEMENT
<b>TRANSPORT</b>	Encouraging and supporting colleagues to make more sustainable commuting choices.	All colleagues to make sustainable commuting choices.  75% reduction in emissions associated with employee commuting to be achieved.	Ensure EV charging infrastructure at Arcus Estate sites is suitable and sufficient to meet full EV grey fleet demand.
<b>SUPPLY CHAIN &amp; WASTE</b>	Developing and applying a supply chain net zero maturity assessment and engagement framework.	100% of suppliers' maturity to have been assessed and to have received some form of engagement by 2035.	Develop supply chain net zero maturity and engagement framework for 100% of suppliers.
<b>SUPPLY CHAIN &amp; WASTE</b>	Supporting to upskill Supply Chain partners that lack net zero and sustainability resource and expertise.	Upskilling workshops held with ALL supply chain partners (not just high emitters) who lack net zero and sustainability resource and expertise.	Develop targeted list of suppliers that fall into this category and hold upskilling workshops.
<b>SUPPLY CHAIN &amp; WASTE</b>	Embedding waste reduction, re-use and recycling and circular economy practices throughout our supply chain and operations	Circular economy principles to be embedded for all key suppliers and small suppliers where the greatest impact / opportunities exist.	Collaboration to ensure all key suppliers have circular economy embedded into their processes.



# ONGOING ACTIONS

## COLLEAGUE ENGAGEMENT:

- Encourage and support colleagues to make more sustainable commuting choices.
- Encourage use of sustainable forms of public transport for business travel
- Encourage and support colleagues to make the transition to zero emission personal vehicles via scheme such as the Tusker Electric Vehicle salary sacrifice scheme that Arcus currently have in place.

## SUPPLIER / SUB-CONTRACTOR ENGAGEMENT:

- Collaborating with Supply Chain partners to drive down GHG emissions related to Arcus' purchased goods and services.
- Embedding waste reduction, re-use and recycling and circular economy practices throughout our supply chain and operations.

## TECHNOLOGY & INNOVATION:

- Prioritising innovation and sustainable technology to enhance and accelerate the net zero transition.
- Continually reviewing technology developments and sustainability innovations to keep up to date.
- Encouraging sustainability and net zero innovation throughout the whole value chain.
- Reviewing air conditioning developments and adopting new technology within Arcus Estates where required.



# GOVERNANCE, MONITORING, REPORTING AND CONTINUAL IMPROVEMENT:

Overall progress against our Net Zero Pathway will be overseen by the Board. The overall accountability for pathway implementation sits with the Chief Executive Officer (CEO).

Achieving net zero requires input and action from numerous internal and external stakeholders. Implementation will be led by the HSQE Director, supported by the Risk & Sustainability Team and key Net Zero champions from across the business, including:

- Chief Financial Officer (CFO)
- Chief People Officer (CPO)
- Chief Operating Officer (COO)
- Managing Directors
- Head of Supply Chain
- Fleet Manager
- Head of Estates



The whole of Arcus has a role to play in achieving this commitment. Support will therefore be provided to ensure Arcus colleagues have the right knowledge and skills to deliver the actions outlined in this pathway.

Our Sustainability Committee, which is held on a quarterly basis, chaired by the CEO, brings together key stakeholders from all business areas is responsible for monitoring the delivery of actions required for successful implementation of the pathway, understanding any resource and budget requirements, as well as proposing any necessary pathway updates.

Our Net Zero commitment will be integrated with our existing Sustainability Policy and frameworks.

Throughout the whole net zero journey, Arcus will remain compliant with the Energy Savings Opportunity Scheme (ESOS) and the Streamlined Energy and Carbon Reporting (SECR) requirements (and any other applicable compliance requirements that may arise) and use these mechanisms to drive continual improvement.

Arcus will report on progress against targets and our Net Zero Pathway internally to the Board on a regular basis, as well as externally on an annual basis in our Sustainability Impact Report.

Over the course of this pathway delivery, Arcus will strive to deliver data accuracy improvements to improve certainty that emissions reductions delivered are adequate (particularly in relation to scope 3 and the need to obtain primary supplier data for purchased goods and services).

The pathway is intended to be a live plan and it is therefore likely that updates will be required as knowledge and technology advances. Arcus will formally review the approach being taken against latest guidance, business growth projections, and lessons learnt every two years as a minimum.





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