

Qualifying Explanatory Statement in Declaration of Carbon Neutrality PAS 2060:2014

04-NTZ-PRO-001



Statement

This procedure, including any associated forms and templates, shall not be altered without written Technical Authority Approval.

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1 Statement

Nexos is the only fully integrated and most digitally advanced Engineering Procurement and Construction (EPC) provider in the UK.

Nexos was created with a clear strategy to position the business as a strong contender in the Brownfield EPC space. Our heritage is deeply rooted in challenging how things are done. This philosophy has, and will continue to play, a significant role in our success as we work with our customers to navigate through the challenges we face as an energy industry.

Our carbon neutrality for Scope 1 and 2 covers our portfolio of facilities within Aberdeen – 27 Albyn Place (Head Office), MacGregor Facility (Fabrication & Mobilisation), and the Nord Centre (Module Fabrication), and in Hull – OSL House (Engineering Consultancy) with associated fleet vehicles.

This document forms the Qualifying Explanatory Statement (QES) for Nexos' commitment to Carbon Neutrality. This is in accordance with PAS 2060:2014, with a commitment to maintain the QES until 31/12/2025, for the period commencing 31/12/2024. All the information provided within this report has been reviewed internally.

This declaration forms the formative commitment of nexos towards carbon neutrality.

Both this document and our QES of achievement of carbon neutrality, will be updated accordingly to reflect nexos' status towards maintaining its carbon neutrality.

This report is available on our website www.nexos.solutions.

Declaration of achievement of Carbon Neutrality

"Carbon neutrality of Scope 1 and 2 emissions from site operations, and products & services, achieved by nexos in accordance with PAS 2060:2014 at 31/12/2024 for the period commencing 01/04/2024, self-declared."

Signed:



Derek Thomson

Chief Operating Officer

PAS 2060 Information Requirement	Information as it relates to nexos
Entity making PAS 2060 declaration:	Nexos
Subject of PAS 2060 declaration:	Nexos' portfolio of companies – Nexos Modular, Magma Products and OSL Consulting Engineers (since July 2024) with facilities at Albyn Place, Macgregor Facility, Nord Centre and OSL House. Associated fleet vehicles used onsite and within UK.
Description of Subject:	An engineering, procurement and construction (EPC) provider that is bridging the energy gap by turning next-gen energy into operational reality, through innovative solutions, partnerships and problem solving. Next-gen energy is about enhancing and decarbonising existing oil and gas assets, while also building infrastructure for renewable energy sources. Our innovative operational solutions maintain, modify and modularise energy infrastructure for today and tomorrow.
Rationale for selection of the subject:	The subject reflects Nexos' scope 1 and 2 emissions from owned and leased assets that the business has operational control over. This enables the business to have direct influence over the reduction of emissions and take necessary steps to achieving carbon neutrality.
Type of conformity assessment which has been undertaken:	Self-validation
Baseline date for PAS 2060 programme	1 st April 2022 – 31 st March 2023
Achievement Period	1 st April 2024 – 31 st December 2024

This Qualifying Explanatory Statement contains information pertaining to the subject's carbon neutrality. All information herein is believed to be correct at the time of publishing. Should any information come to light that would affect the validity of the statements herein, this document will be updated to accurately reflect the status of any carbon neutral statement made by nexos

This is nexos' third declaration of commitment, this QES contains all the required information on the carbon neutrality and will be made publicly available on nexos' official website.

The declaration period has changed in line with the new financial year for the company.

2 Carbon Footprint Baseline Assessment

2.1 Greenhouse Gas Emissions

CO₂e Scope and Definition

1st April 2024 – 31st December 2024¹

	Total tCO ₂ e
Scope 1: Direct GHG emissions from vehicles/premises/processes under control of nexos Limited	131.29
Scope 2: Indirect GHG emissions arising from the consumption of electricity from premises/processes under control of nexos Limited	3.57
Market- based (gross)Total	134.86

¹ Carbon Footprint covers 01/04/2024 – 31/12/2024 and includes fully renewable energy contracts with REGO certs for electricity.

2.2 Methodology

Nexos categorises its Greenhouse Gas (GHG) Emissions as Scope 1 or 2 as referred to in the WBCSD-WRI Greenhouse Gas Protocol (revised edition, dated March 2014)

Using BS EN ISO 14064-1, Greenhouse gases – Part 1: Specification with guidance at the organisation level for quantification and reporting of greenhouse gas emissions and removals, emissions are calculated and reported in tonnes of CO₂ equivalent (tCO₂e). This is in line with the best practice, which requires the addition of carbon dioxide and other six greenhouse gases included in the Kyoto convention: methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, Sulphur hexafluoride and nitrogen trifluoride. The conversion factors are applied as provided in "The UK Government Conversion Factors for greenhouse gas (GHG) reporting", the conversion factors for new users, standard set for 2023 and 2024 published by Department for Business, Energy & Industrial Strategy and Department for Environment Food & Rural Affairs, version: 2.0, as published on 1st June each year. This method of calculation has been chosen because it is long established; globally recognised; and provides confidence in the accuracy of carbon footprint methodology. This is a recognised methodology as set out in PAS2060:2014.

2.3 Evidential Data Supplied

Primary data has been used for the carbon quantification process.

Data obtained for Nexos for the reporting period of 1st April 2024 – 31st December 2024.

- Electricity usage (kWh) billed for all facilities.
- Natural Gas (kWh) billed for MacGregor, Nord and OSL House
- Production Gases (kg) billed for MacGregor and Nord Facilities
- Diesel usage (litres) billed for Nord Facility
- Fuel usage (litres) billed for company fleet vehicles.
- Fugitive emissions as per HVAC PPM and call-out reports for each facility.

2.4 Data Quality Confidence


Data from GHG emissions was obtained via direct metering and direct billing with appropriate National emissions factors applied.

Uncertainty Analysis shows mainly High levels of Data Accuracy.

The offset carbon emissions have been calculated from our Scope 1 and 2 emissions data.

This resulted in total emissions to be offset being 134.86 (135.00) tCO₂e, as outlined in the table above.

Nexos' Carbon Baseline was set at the Financial Year 2022/23 total of 164.242 tCO₂e.

Name of senior representative (Nexos)	Signature of senior representative
Derek Thomson Chief Operating Officer	
Date:	4th Sept 2025

3 Carbon Reductions Plan

3.1 Introduction

The purpose of this Carbon Reductions Plan (CRP) is to clearly define nexos' commitment to being carbon neutral, documenting how carbon neutrality will be achieved, monitored and which emissions nexos' will pursue to become and maintain our carbon neutral status. The carbon emissions nexos' will monitor and manage to reduce our impact are Scope 1 & 2 GHG emissions from operations. We will obtain certification from entities such as energy suppliers, to uphold our carbon neutrality.

Nexos' commitment statement to reducing our carbon impact:

Nexos is committed to reducing our directly associated carbon emissions by making continual energy efficiency improvements in our managed portfolio of buildings via our Carbon Reduction Plan, purchasing renewable "green" energy (mains gas and electricity) where possible, as opposed to traditional fossil fuel supplies; and by offsetting residual Scope 1 & 2 carbon offsets in conformance with PAS 2060.

Nexos is maintaining carbon neutrality through the PAS 2060:2014 standard.

This CRP and any related supporting documentation will be reviewed and updated on an annual basis by our sustainability adviser and supporting external consultants. The review and any updates made will reflect changes in legislation and industry good practice guidance issued.

3.2 Scope and Boundaries of the Carbon Footprint

The resources to be included in a carbon footprint are defined in relation to two boundaries, the organisational and the operational boundary.

Definition of the boundaries is determined by the extent of the estate, goods, and services over which nexos has operational control.

The **Organisation Boundary**: sets out which assets are to be included in the footprint and is shown in the "Category" column in Table 1 below.

The **Operational Boundary** essentially sets out the emission sources included in the footprint and is shown in the "Emissions Sources" column in Table 1 below.

In keeping with the Greenhouse Gas Protocol (WRI 2004), the operational boundary should include all Scope 1 and Scope 2 emissions (e.g., on-site fuel combustion, company owned vehicles and purchased electricity consumption). Scope 3 emissions (e.g., waste, water, commuting and 3rd Party business travel) are considered discretionary and are not included.

Table 1 nexos Carbon Footprint Boundaries

Category	Function	Emissions Source	Emissions Scope
27 Albyn Place, Aberdeen	Head Office, Project Support Services – Initiation, Concept, FEED, Survey, Design, Procurement, Close Out	Electricity Fugitive	1 & 2
MacGregor Facility, Dyce	Fabrication, Offshore Support – Construction, Commissioning & Start Up	Electricity Natural Gas Gas Cylinders Vehicle Fuel	1 & 2
Nord Facility, Aberdeen.	Fabrication, Fabrication Support Services	Electricity Natural Gas Gas Cylinders Vehicle Fuel	1 & 2
OSL House Hull	Engineering Consultancy	Electricity Natural Gas Fugitive	1 & 2

Excluded Emission Sources include:

- Scope 3 emissions

Nexos is aware that scope 3 emissions will form the largest part of its carbon footprint and has started to develop procedures for the collection of information to measure them.

It has undertaken a relevancy assessment and determined that categories 1 to 12 will apply and has started to collect figures for categories 1, 2, 3, 5, 6, 7 and 9 (8 is already covered by scope 1 & 2). However, collection of scope 3 data requires wider engagement within the supply chain and most suppliers are not currently able to provide this data. Nexos is working with its suppliers to help them provide this data, and where information is not available at all from suppliers will develop a dataset of norms for calculating emissions for use until such time as the supply chain matures.

As information becomes more widely available and accuracy surrounding these emissions sources for nexos is improved, we will endeavour to incorporate these into our carbon footprint.

3.3 Targets

Nexos is committed to protecting and minimizing the impact of our activities upon our local, regional, and global environment. Through regular monitoring of our carbon footprint through UK legislation including ESOS and SECR, Nexos will drive down our absolute emission impact. Although through the nature of our varied operation, large amounts of energy will need to be used, with continual monitoring, we will look to reduce energy waste and therefore, reduce our impact. Not only will this benefit our staff and community but will support our environmental improvements and our brand's reputation.

Nexos have developed a Carbon Reduction Plan. We commit to:

- Reduce environmental impacts through purchasing all electricity from a 100% renewable provider.
- Reduce use of electricity by installing LED lighting and motion sensors for lighting throughout our offices wherever practicable and safe to do so.
- Reduce environmental impacts through a combination of environmentally cleaner vehicles, machinery, and fabrication practices.
- Engage the workforce through Environmental Guidance on how everyone can reduce unnecessary use of energy in idle equipment, vehicles, and machinery.
- Accurately record and report the company scope 1 & 2 emissions through a bespoke inhouse carbon tracker (D2ZTrack) within the company and to customers who request the information on their projects.
- Write emissions from D2ZTrack to D2ZChain (Global E&C's blockchain) for transparent and tamperproof data.
- Immediately mitigate the impact of our activities on the environment through VCS (Verified Carbon Standard) carbon offsetting.
- Work to include Scope 3 emissions within our carbon footprint, as accurate information becomes available.

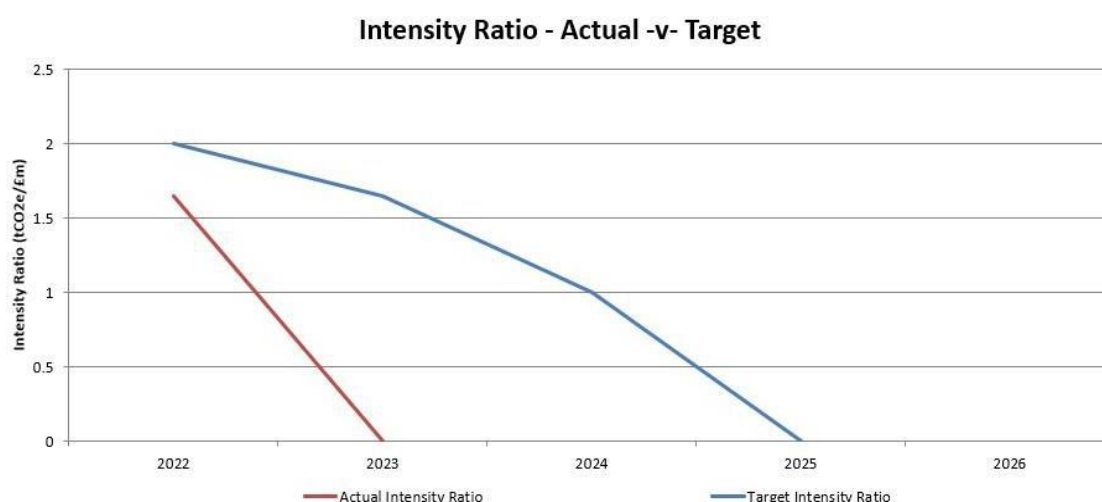


Figure 1: Carbon Baseline BAU, and reduction targets.

As can be noted in Figure 1 above, nexos' business as usual (BAU) Intensity Ratio of tCO₂e/£m came to 1.65. Nexos is committed to establishing an intensity ratio of 0 on scope 1 & 2 emissions by 2025, referenced by the blue line in Figure 1. However, through offsetting the remaining carbon emissions through certified offsetting scheme, nexos are ahead of target.

Nexos envision for the foreseeable future, to uphold carbon neutral status, using the methods outlined further within the Carbon reductions Plan.

4 Scope 1 and 2 Carbon Emissions

	Total tCO ₂ e
Scope 1: Direct GHG emissions from vehicles/premises/processes under control of Nexos	94.67
Scope 2: Indirect GHG emissions arising from the consumption of electricity from premises/processes under control of Nexos	69.57
Market- based (gross)Total	164.24

Figure 2: Baseline Carbon Footprint

Scope 1: Direct GHG emissions from vehicles/premises/processes under control of Nexos	143.50
Scope 2: Indirect GHG emissions arising from the consumption of electricity from premises/processes under control of Nexos	0.00
Market- based (gross)Total	143.50

Figure 3: Year 1 Carbon Footprint

Nexos' carbon baseline (1st April 2022 – 31st March 2023) scope 1 & 2 emissions were reported as per Figure 2 above. As is noted, this is the location-based emissions for Nexos. The company carbon impact was assessed utilising the GHG Protocol and DEFRA 2022 conversion factors to establish the carbon impact.

Year 1 saw an increase in scope 1 due to an increase in manufacturing, notably the expansion of the Modular Division. Nexos used 100% renewable electricity (with REGO Certification) reducing scope 2 to zero.

Year 2 is a reduced duration due to using the new financial reporting year – 12 months to 9 months. Nexos also acquired OSL in July 2024 which do not currently have a Green Electricity contract in place, hence the reporting of scope 2 emissions after reporting zero the previous year.

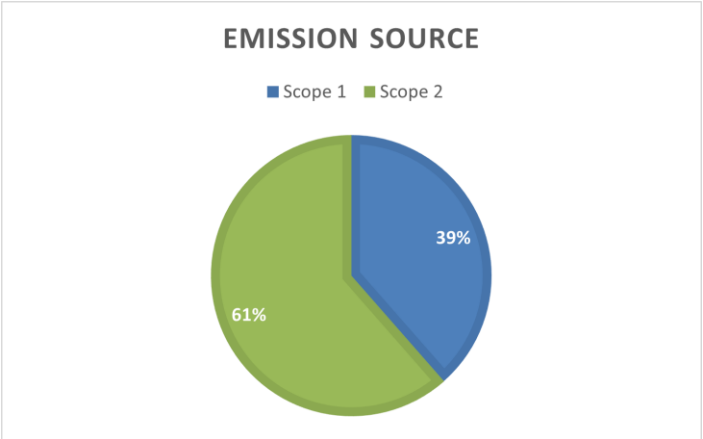


Figure 4: Baseline Year Nexos' Carbon Emission Sources

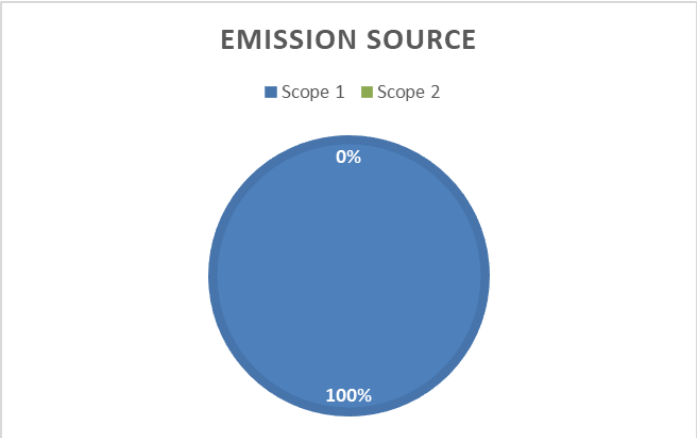


Figure 5: Year 1 Nexos' Carbon Emission Sources

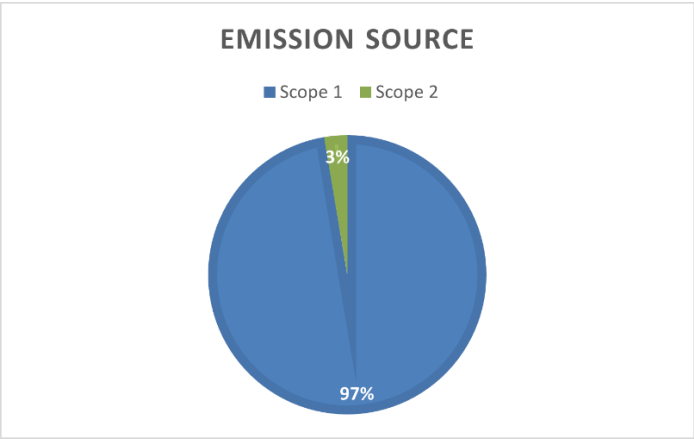


Figure 6: Year 2 Nexos' Carbon Emission Sources

4.1 Emission Reduction Strategy

- Continue to purchase all electricity from a 100% renewable provider for all the facilities in Aberdeen and switch OSL House in Hull when the contract is up for renewable. Switch those processes that currently use other fuels (e.g., natural gas) to using electricity wherever it is practicable to do so.
- Reduce the amount of electricity used by introducing energy saving measures e.g., LED lighting throughout, PIR sensors for lighting in offices/restrooms, and where suitable switch to LUX sensors.
- Fully implement the range of measures laid out in the nexos' Energy Saving Procedure – BMS-03-ECON-EN-1003.

Moving forward, Nexos intend to obtain accurate data on scope 3 emissions, and is driving incentives to reduce emissions by schemes such as 'Cycle to Work' which was implemented in 2024.

Nexos will update their emissions calculations on a regular and ongoing basis (at least monthly) and will be recorded along with evidence of all supporting data. All documents will be open to the company's internal auditing system and will be reviewed on an annual basis to establish that they remain accurate and a true record of Nexos' carbon footprint.

5 Offsetting the Balance

For Nexos to meet their carbon neutrality commitment for scope 1 & 2, any carbon emissions remaining after reduction efforts and maintaining 100% renewable electricity contracts – such as those from using production gases in the fabrication of modules and pipework, and fuels used in company vehicles, which do not currently have a ‘green’ equivalent – are offset using a VCS carbon offsetting scheme that it feels meet at least one of the UN-SDGs.

The purchase of offsets via these schemes also guarantees that they have been verified by an independent third party, were only issued after the emissions reductions had taken place, and were retired within 12 months from the date of the declaration of this carbon neutrality achievement. These credits are supported by publicly available project documentation and are stored and retired in an independent and credible registry.

The carbon offsetting scheme used for this application period of 01/04/2024 – 31/03/2024 is a Methane Recovery project in the Netherlands. Nexos decided on this project as it resonated with the leadership team as it uses many of the technologies and engineering skills used within the company. It also meets 5 UN-SDGs –

- 7 Affordable and clean energy.
- 9 Industry, innovation, and infrastructure.
- 11 Sustainable cities and communities.
- 12 Responsible consumption and production.
- 13 Climate action

Without project: The pig manure, organic waste was commonly disposed of on waste landfill sites. The open rotting of this organic matter was causing uncontrolled and uncaptured greenhouse gases (CH₄, CO₂ and • N₂O) on the dump sites, which also caused odour, and water and land contamination.

Project purpose: Power generation using Combined Heat and Power engines (CHP) to produce electricity and heat with the biogas generated. Furthermore, the project activity mitigates GHG emissions by replacing fossil fuels with decentral renewable thermal energy.

Project benefits:

- Reduced carbon emissions 17,209 tCO₂e/y
- Reduction of potential fire and explosion risk as well as bad odours
- Potential of promotion of local job opportunities.

Nexos have engaged with securing these VCS carbon credits using World Kinect Energy Services who provide a Carbon Offset Certificate and the Carbon Offset Retirement Statement (see below).

6 Appendix 1 Verified Carbon Unit Certificate.



7 Appendix 2 Carbon Offset Retirement Certificate





Certificate of Verified Carbon Unit (VCU) Retirement

Verra, in its capacity as administrator of the Verra Registry, does hereby certify that on 20 Aug 2025, 135 Verified Carbon Units (VCUs) were retired on behalf of:

Nexos Solutions Limited


Project Name
Methane Recovery Project Princepeel Wilbertoord, North Brabant, The Netherlands


VCU Serial Number
11437-330388582-330388716-VCS-VCU-290-VER-NL-13-337-01012014-31122014-0

Additional Certifications

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8 Appendix 3 Carbon Offset Retirement Statement





**CARBON OFFSET
RETIREMENT STATEMENT**

Volume:	135
Project Name:	Methane Recovery Project Princepeel Wilbertoord, North Brabant, The Netherlands
Project ID:	337
Project Third Party Verifier:	TUV Rheinland (China) Ltd.
Offset Serial Number:	11437-330388582-330388716-VCS-VCU-290-VER-NL-13-337-01012014-31122014-0
Standard:	Verified Carbon Standard
Registry of Retirement:	VERRA
Retired By:	WORLD KINECT ENERGY SERVICES
Offset on behalf of:	Nexos Solutions Limited for the period 01.04.24-31.12.24 residual CO2 emissions
Retirement Date:	20.08.2025
Project verified by:	



**Verified Carbon
Standard**

