Lynton Lasers Ltd.

Qualifying Explanatory Statement in support of PAS 2060:2014 self-certification

March 2023

Introduction

This document forms the Qualifying Explanatory Statement to demonstrate Lynton Lasers Ltd. has achieved carbon neutrality under the guidelines of PAS 2060:2014 and is committed to achieving carbon neutrality under the guidelines of PAS 2060:2014.

PAS 2060 Information Requirement	**Information as it relates to Lynton Lasers Ltd.**
Entity making PAS 2060 declaration:	Lynton Lasers Ltd. (LL)
Subject of PAS 2060 declaration:	LL operations including production, servicing, training and administration. All Scope 1, Scope 2 and selected Scope 3 emission sources have been included (see Appendix A, B)
Description of Subject:	LL is a manufacturer and supplier of medical-grade aesthetic technology, surgical laser systems and laser cleaning technology. LL has around 65 employees and operates from two buildings.
Rationale for selection of the subject:	The scope and subject of this PAS2060 includes all emissions based on the operational control principle defined in the 2014 WRI GHG Protocol – Corporate Accounting Standard.
What type of conformity assessment has been undertaken?	Self-certification
Baseline date for PAS2060 programme:	1st January 2021 – 31st December 2021
Achievement Period:	1st January 2022 – 31st December 2022
Commitment Period:	1st January 2023 – 31st December 2023

This Qualifying Explanatory Statement contains information pertaining to the subject's carbon neutrality. Any and 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 current status of any carbon neutral statement made by Lynton Lasers Ltd.

Declaration of Achievement of Carbon Neutrality

PAS 2060 Information Requirement	**Information as it relates to Lynton Lasers Ltd.**
State the period during which the entity is demonstrating achievement of carbon neutrality of the subject:	1st January 2022 – 31st December 2022
Location-based carbon footprint of the subject for achievement period stated above:	415.25 tonnes CO_2e
Which method, as defined by PAS 2060, has been followed to achieve carbon neutrality?	WBCSD/WRI Greenhouse Gas Protocol, Corporate Accounting and Reporting Standard (revised edition, March 2004)
How have the reductions in GHG emissions during this period been achieved?	Internal reduction methods and offsetting
Location of the GHG emissions report supporting this claim:	Appendix A, B, C
Location of the details describing internal reductions achieved during the period:	Appendix C
Location of the details describing the carbon offsets:	Appendix D
UK economic growth rate over the application period	UK GDP growth was +4% (compared with 2021)
Name of senior representative and position	**Signature**
Jonathan Exley Managing Director Date: 23/03/2023	

Declaration of Commitment to Carbon Neutrality

PAS 2060 Information Requirement	**Information as it relates to Lynton Lasers Ltd.**
Period during which the entity commits to maintaining carbon neutrality of the subject	1st January 2023 – 31st December 2023
Which method, as recognized by PAS 2060, will be followed to achieve carbon neutrality?	WBCSD/WRI Greenhouse Gas Protocol, Corporate Accounting and Reporting Standard (revised edition, March 2004)
Prior commitment to carbon neutrality made by entity	N/A 2022 was the first year Lynton has achieved carbon neutrality
Carbon footprint of the subject for the historic reductions period (immediately prior to the start of the commitment)	415.25 tonnes CO_2e
Location of GHG emissions report supporting this claim	Appendix A, B, C
Location of the Carbon Footprint Management Plan	Appendix C
Name of senior representative and position	**Signature**
Jonathan Exley Managing Director Date: 23/03/2023	

Appendix A: Carbon Footprint Assessment

Emission Source	Greenhouse Gas Emissions (tonnes CO_2e)	
	2022	2021 (baseline)
Fuel (Lynton-owned vehicles)	153.75	122.88
Gas	21.85	21.62
Refrigeration	39.67	0.00
Total scope 1 (direct emissions)	215.27	144.50
Electricity (location-based)	20.23	20.82
Electricity (market-based)	12.14[2]	0.00[1]
Total scope 2 (energy indirect emissions)	20.23	20.82
Electricity T&D	1.94	1.84
Use of materials	52.16	41.00
Freight	49.66	46.02
Business travel	20.25	20.58
Commuting	43.48	44.10
Homeworking	10.21	10.96
Waste	0.70	0.63
Hotel stays (UK)	1.35	1.33
Total scope 3 (other indirect emissions)	179.75	166.46
Total scopes 1, 2, 3 (location-based)	**415.25**	**331.78[3]**
Total scopes 1, 2, 3 (market-based)	**407.16**	**310.96[3]**
Turnover (£M)	**12.35**	**9.27**
Emissions per £M turnover (location-based)	**33.62[4]**	**35.79**
Emissions per £M turnover (market-based)	**32.97[4]**	**33.54**

[1]Electricity provided by British Gas; fuel mix (2021): nuclear 25%; renewables 75%: emissions 0g/kWh

[2]Electricity provided by British Gas; fuel mix (2022): nuclear 28%; renewables 48%: emissions 116g/kWh

[3]Covid lockdown in Q1 2021: estimated total emissions 14 tonnes CO_2e lower than for a 'normal' year

[4]No correction made for price changes or inflation.

Table 1: Lynton Lasers' greenhouse gas emissions for 2022, compared with baseline data (2021).

Methodology

Lynton categorises its Greenhouse Gas (GHG) emissions as Scope 1, 2 or 3 as referred to in the WBCSD-WRI Greenhouse Gas Protocol (revised edition, dated March 2004). Emissions have been calculated as tonnes of carbon dioxide equivalent (tCO2e) for all Scope 1 and 2 and selected Scope 3 sources (see Appendix B) using the conversion factors listed in the UK Government GHG Conversion Factors for Company Reporting 2022.

Data Quality

Confidence in the quality of the data supporting this GHG assessment is high. 95% of the GHG emissions from scope 1 and scope 2 sources was obtained via utility bills/meter readings or derived from fuel

consumption data, with appropriate national emissions factors applied. GHG emissions from the scope 3 sources included in this assessment have been calculated using data collected from a range of sources (see Appendix B) including: staff surveys (45% of scope 3 emissions), inventories of systems manufactured and imported (48%) and records of non-production materials purchased (4%), waste consignment notes (1%) and our hotel business account (1%).

Appendix B: Emissions Inventory

Scope 1 and 2 emissions		
GHG Protocol emissions category	**Lynton Lasers reporting**	**Lynton Lasers comments**
Scope 1 Gas	Included Emissions associated with our use of gas for heating and operating our buildings	LL uses meter readings and an average calorific value of 39.7 to convert gas units into kilowatt-hours. When meter readings do not cover the full year, a pro-rata estimation technique is used (quantification of the missing data for a data gap using a proportional method based on actual readings from another similar period).
Scope 1 Other fuels	Included Emissions associated with our use of combustible fuels: petrol and diesel	LL uses petrol and diesel in its owned and leased vehicles: - fuel data available from fuel cards (93% vehicles) - where vehicle has no fuel card, mileage data is used (7% vehicles)
Scope 1 Refrigerants	Included Emissions associated with leakage of refrigerant gas from air conditioning/heating system	Fugitive emissions calculated from mass of refrigerant required to top up system minus mass of refrigerant reclaimed.
Scope 2 Electricity	Included Emissions associated with our use of electricity for lighting, IT equipment, heating and cooling, electric vehicle charging etc.	LL uses meter readings. When meter readings do not cover the full year, a pro-rata estimation technique is used (quantification of the missing data for a data gap using a proportional method based on actual readings from another similar period).

Scope 1: Direct greenhouse gas emissions from owned or controlled sources.
Scope 2: Indirect greenhouse gas emissions from purchased electricity.
Scope 3: Other indirect greenhouse gas emissions.

Table 2: Scope 1 and 2 emission sources.

Scope 3 emissions

The Scope 3 emissions included are those that Lynton Lasers has the greatest level of control over and can report with confidence in their accuracy. All Scope 3 emissions relevant to Lynton Lasers are identified below against the Greenhouse Gases Protocol categories, with reasoning for those emissions which are not included (see also Table 4).

GHG Protocol emissions category	GHG protocol category description	Lynton Lasers reporting	Lynton Lasers comments
1. Purchased goods and services	Extraction, production and transportation of goods and services purchased or acquired by the reporting company in the reporting year, not otherwise included in Categories 2 - 8	Included Use of materials in OEM systems; Use of materials in third-party systems; Paper, cardboard, wood; Bubblewrap for packaging; IT equipment (computers, mobile phones) Excluded Outsourced finance, IT, accounting services; Skincare products	Production-related procurement accounts for 85% of emissions. OEM equipment – assumed all systems 80% metal, 20% plastic by weight based on analysis of Lumina system. Third-party systems – emissions based on weight and conversion factor for large electrical equipment. Paper (76% of non-production-related procurement) – plain paper purchased in year plus outsourced printing in year.
2. Capital goods	Extraction, production, and transportation of capital goods purchased or acquired by the reporting company in the reporting year	Excluded	
3. Fuel and energy related activities (not included in scope 1 or 2)	Extraction, production, and transportation of fuels and energy purchased or acquired by the reporting company in the reporting year, not already accounted for in scope 1 or scope 2	Included Transmission & distribution losses (electricity) Excluded Well-to-tank emissions (fuels) Well-to-tank emissions (electricity)	
4. Upstream transportation and distribution	Transportation and distribution of products purchased by the reporting company in the reporting year between a company's tier 1 suppliers and its own	Included Emissions associated with importing of third-party products for sale in UK and abroad	Emissions based on air freight; using weight of imported system; distance travelled by air (nearest international airport to Manchester) and relevant

	operations (in vehicles and facilities not owned or controlled by the reporting company)	 <u>Excluded</u> Delivery of other purchased goods, parts etc. to LL	conversion factor. Transport emissions from services and products purchased is not practically viable to measure and report,
5. Waste generated in operations	Disposal and treatment of waste generated in the reporting company's operations in the reporting year (in facilities not owned or controlled by the reporting company)	<u>Included</u> LL reports emissions associated with the disposal and treatment of waste from LL operations.	Emissions calculated using weight collected data supplied by waste contractors - Enviro Skip Hire: monthly waste report Ashe Waste: fortnightly waste consignment notes; AWC: waste consignment notes issued for disposal of electrical equipment and hazardous materials.
6. Business travel	Transportation of employees for business-related activities during the reporting year (in vehicles not owned or operated by the reporting company)	<u>Included</u> Air, rail and ferry travel Business travel in private vehicles (not owned or leased by LL) Hotel stays in UK <u>Excluded</u> Underground rail	Mileage data collected from employees quarterly. Air and rail distances calculated by entering start point and destination into online air/rail distance calculators. Hotel stays taken from company Premier Inn account.
7. Employee commuting	Transportation of employees between their homes and their worksites during the reporting year (in vehicles not owned or operated by the reporting company)	<u>Included</u> Employee commuting Homeworking	Mileage data collected via annual staff commuting survey. Emissions calculated using round-trip distance between home and work and number of commuting days in year. Response rate 77% - total emissions extrapolated to 100%. Emissions from homeworking estimated using number of homeworking days (data collected in annual Commuting survey) and model: Homeworking

			emissions whitepaper | 2020 (eco-act.com)
8. Upstream leased assets	Operation of assets leased by the reporting company (lessee) in the reporting year and not included in scope 1 and scope 2 – reported by lessee	Not applicable	Leased vehicles included in scope 1 and 2 emissions. Gas and electricity consumed in leased buildings included in scope 1 and 2 emissions.
9. Downstream transportation and distribution	Transportation and distribution of products sold by the reporting company in the reporting year between the reporting company's operations and the end consumer (if not paid for by the reporting company), including retail and storage (in vehicles and facilities not owned or controlled by the reporting company)	Included Shipping of OEM and third-party products to overseas customers Excluded Shipping of small items (UK and overseas): spare parts, marketing literature etc.	Emissions based on air freight; using weight of exported system; distance travelled by air (Manchester Airport to nearest international airport at destination) and relevant conversion factor. Delivery of OEM and third-party products to UK customers is in vehicles owned or controlled by LL – emissions are included in scope 1 (other fuels) and scope 2 (electricity).
10. Processing of sold products	Processing of intermediate products sold in the reporting year by downstream companies (e.g., manufacturers)	Excluded	Laser module supplied to Seno Medical for installation into Seno product. Represents less than 2% of all systems sold by Lynton in year. Lynton not able to calculate emissions but expected to be very small.
11. Use of sold products	End use of goods and services sold by the reporting company in the reporting year	Excluded	Too difficult to collect data with high degree of confidence. No influence on how much customer uses product or customer's choice of electricity supplier.
12. End-of-life treatment of sold products	Waste disposal and treatment of products sold by the reporting company (in the reporting year) at the end of their life	Excluded	Less than 0.1% of total emissions.
13. Downstream leased assets	Operation of assets owned by the reporting	Excluded	See 11.

	company (lessor) and leased to other entities in the reporting year, not included in scope 1 and scope 2 – reported by lessor		
14. Franchises	Operation of franchises in the reporting year, not included in scope 1 and scope 2 – reported by franchisor	Not applicable	
15. Investments	Operation of investments (including equity and debt investments and project finance) in the reporting year, not included in scope 1 or scope 2	Not applicable	

Table 3: Scope 3 emission sources, as defined by GHG Protocol.

Selection of Scope 3 Emissions Included in Boundary

In order to define which scope 3 emission sources to monitor, record and include in our calculation we considered the following criteria:

1. Volume of the emissions (High/Medium/Low: H/M/L): a large volume equals high significance.

2. Sphere of influence (H/M/L): the more Lynton is able to influence the emissions, the more significant.

3. Measurability (H/M/L): can the emissions be measured?

Table 4 shows the scope 3 activities that generate GHG emissions with an assessment of the three parameters and shows whether the emissions have been included in our calculation.

Scope 3 Emission Source	Volume (H/M/L)	Influence (H/M/L)	Measurability (H/M/L)	Include? (Yes/No)	Comments
Customer use of products	H	L	L	No	Too difficult to monitor electricity usage of hundreds of customers. Little influence over customer's choice of electricity supplier.
Freight (shipping – import/export)	H	M	M	Yes	Significant contributor to footprint. Consequence of decisions made re products in portfolio, import/export etc.
Commuting	M	L	M	Yes	Significant contributor to footprint. Requires staff survey.

Use of materials	M	M	M	Yes	Could encourage efficiency savings, choice of suppliers with strong environmental credentials.
Business travel	M	H	H	Yes	Relatively easy to monitor.
Well-to-tank electricity/fuels	M	L	M	No	No influence.
Homeworking	L	M	M	Yes	Small contributor but a consequence of reducing commuting. Requires staff survey.
Finance/IT/accounting services (outsourced)	L	L	L	No	High degree of uncertainty in conversion factors dating back to 2014; no influence.
Waste	L	M	M	Yes	Monitoring waste could encourage more efficient use of materials and reduction of waste.
Hotel stays (UK)	L	H	H	Yes	Small but UK stays easily measurable via Premier Inn account. Could increase above 1% as sales increases. Exclude overseas stays (smaller; difficult to collate data).
Electricity transmission & distribution losses	L	L	H	Yes	Small but easily calculated from electricity usage figures.
Water	L	M	H	No	Extremely small (<0.1% of total footprint)
End-of-life treatment of sold products	L	L	M	No	Extremely small (<0.1% of total footprint)
Capital goods	L	L	L	No	Difficult to measure; expected to be small.

Table 4: Selection of Scope 3 emission sources included in carbon footprint calculation.

Appendix C: Carbon Management Plan

Historic Emissions Reduction Progress for Previous Period

At the start of 2022, Lynton set itself a target to reduce its GHG emissions per £M turnover by 10% in 2022. We achieved a reduction of 6%. The failure to achieve the target was mainly due to emissions from refrigeration increasing from zero in 2021 to 39.7 tonnes CO_2e in 2022, the result of a single leak event in the Unit 9D heating/air conditioning system.

Absolute emissions increased from 332 tonnes CO_2e in 2021 to 415 tonnes CO_2e in 2022. The issue with the heating/air conditioning system accounted for 48% of this increase. Emissions from fuel burned by Lynton's fleet vehicles (37%) and materials used in our products (13%) accounted for the vast majority of the remaining 52%. Lynton grew by 33% during the reporting period – the increases in emissions from our fleet vehicles and materials used were due to increased sales, servicing and training activities and increased sales of our products.

During the course of the Achievement Period (1st January – 31st December 2022) we implemented a number of initiatives with the aim of reducing our GHG emissions and reducing our negative impact on the environment. These included:

- Setting up a 'Climate Action' Working Group, which meets every two months, to identify and implement initiatives to reduce our GHG emissions and reduce our negative environmental impact;
- Installing LED lighting and motion sensors in our buildings where appropriate, to improve energy efficiency;
- Installing two electric vehicle charging points at our head office and making them freely available to our staff to encourage use of fully electric and hybrid vehicles;
- Introducing two Plug-in Hybrid Electric Vehicles to our fleet of 27 vehicles; saving approximately 2.4 tonnes CO_2e annually (compared with equivalent diesel vehicles);
- Introducing an initiative throughout the company to minimise paper usage; so far this has seen the introduction of QR codes at exhibitions to reduce demand for hard-copy brochures; introduction of e-learning portfolios for our qualifications (removing the need for paper notes and assessment folders); introduction of online training tests; the number of training manuals being reduced to one per machine; sales material being supplied digitally to customers.

On-going Emissions Reduction Plan for Commitment Period

By the end of 2023 we aim to have reduced our GHG emissions per £M turnover by 17.5% compared with the previous year. Our plans for reducing our GHG emissions for the Commitment Period (1st January – 31st December 2023) include:

- Introducing measures to reduce the total distance travelled by our staff carrying out sales, servicing and training activities (estimated to be more than one million kilometres in 2022); fuel used in Lynton vehicles accounted for 37% of our total emissions in 2022 – this is by far the largest contributor to Lynton's carbon footprint and represents the biggest opportunity for emissions reductions; a 10% reduction in fuel used achieved through more efficient route

planning and the introduction of PHEVs and EVs to the fleet where possible would lead to a saving of 15 tonnes CO_2e annually;

- Investigating the feasibility of introducing sustainable policies for: travel, waste management and procurement;
- Investigating the feasibility of generating renewable electricity on our own site;
- Investigating the feasibility of obtaining our electricity from a 100% renewable electricity supplier, i.e. one that generates enough renewable electricity themselves to match customer use, or buys the equivalent directly from renewable electricity generators, in time for our next electricity supplier contract renewal (June 2023);
- Minimising the use of paper-based marketing material by enhancing and developing our website in 2023 as the central repository for our information, and promoting a digital information sharing culture;

Appendix D: Carbon Offset Strategy

The following information covers the offset strategy for the period of carbon neutrality:

GHG emissions to be offset for the Achievement Period: 407.2 tonnes CO_2e (market-based);

Carbon credits purchased for 2022: 408

100% of these carbon credits were verified to the Voluntary Carbon Standard (VCS), Gold Standard or Clean Development Mechanisms (CDM);

Carbon credits are purchased within three months of the end of the Achievement Period.

Details of the carbon credits purchased to offset our GHG emissions in 2022 are shown in Table 5.

Certification scheme	Project name	Country	Project ID	Purchase date	Project type	Credits purchased	Registry retirement date and link
Gold Standard VER	Northern Ethiopia Community Safe Water	Ethiopia	GS10735 & GS10736	06/03/2023	Clean drinking water	136	https://registry.goldstandard.org/credit-blocks/details/334074 22/03/2023
Verified Carbon Standard	Southern Cardamom REDD+ Project	Cambodia	VCS1748	06/03/2023	Reducing emissions from deforestation and forest degradation	136	https://registry.verra.org/myModule/rpt/myrpt.asp?r=206&h=160025 22/03/2023
Verified Carbon Standard	Biomass and Biogas Based heat and Power Generation at Everest Starch	India	VCS1535	06/03/2023	Biomass	136	https://registry.verra.org/myModule/rpt/myrpt.asp?r=206&h=165939 22/03/2023

Total credits purchased	408

Table 5: Carbon credits purchased to offset GHG emissions (market-based) from 2022; credits were purchased through Carbon Footprint Ltd.: https://www.carbonfootprint.com/carbonoffsetprojects.html