

CARBON REDUCTION STRATEGY



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INTRODUCTION

The impacts of climate change continue to shape global headlines, with unpredictable weather patterns and extremes of rain and heat impacting our daily lives.

Recognition of the part that carbon and other emissions play on climate change is leading to global action however, at the same time, businesses are coming to terms with the scale of the challenge to reduce their carbon footprint.

There is an acceptance that, unless we change our behaviours, the future looks socially, environmentally, and economically uncertain. Through the 2015 Paris Agreement, world governments committed to curbing global temperature rise to well below 2°C above pre-industrial levels, and pursuing efforts to limit warming to 1.5°C. In 2018, the Intergovernmental Panel on Climate Change warned that global warming must not exceed 1.5°C, to avoid the catastrophic impacts of climate change. In response, the UK became the first major economy to pass Net Zero emissions law, which requires the UK to bring all greenhouse gas emissions to Net Zero by 2050.

Recognising and accepting that the choices we make today have consequences that will affect the stability of our future is key; now is the time to act. The challenge in front of us, however, is not insurmountable and it is important that we remain optimistic.

At VolkerWessels UK, we recognise that the way we design, build and execute our projects has a carbon impact, and, critically, it is within our gift to reduce this impact through engineering excellence and working collaboratively to reduce operational carbon.

Since the original publication of our Carbon Reduction Strategy in September 2021, conversations about carbon reduction have grown exponentially both internally and externally.

We continue to seek ways to reduce our emissions, yet we recognise that our success is inextricably linked to the actions of our clients, suppliers, subcontractors and industry bodies.

In this latest review of our strategy we have therefore further acknowledged the strategies and roadmaps from the UK Government, industry bodies and our supply chain, through the development of emission specific targets.

We recognise that it is our ability to engage people on the journey to Net Zero, that will enable us to achieve that goal.



Richard Offord
CEO - VolkerWessels UK

OUR DRIVERS OF CHANGE

We have identified four drivers of change necessary to achieve our carbon reduction target.

1 Robust Data

Good quality data enables good decision making. Our carbon footprint is calculated using an ‘Operational Control’ approach which means we capture data relating to the emissions that we have direct control over. We will continue to review carbon data from all emissions sources, to close gaps and further improve quality, and share this data with our operational teams to help facilitate informed discussions about opportunities for carbon reduction.



2 Targeted reductions around known emission sources

This element of our strategy is critical to ensure we put targeted effort into our carbon reduction decisions. It involves collaboration internally from our operational, procurement and design teams, plus engagement with our supply chain, supported by a commitment from our clients.

Each emission source has been analysed to identify opportunities for carbon reduction and include quick wins as well as the longer-term modern methods of construction which require cultural shifts in the way we deliver our projects, investment and innovation. The output of this analysis is a suite of emission reduction plans, owned and managed by functional leads in the business, consisting of short-, medium- and long-term actions to reduce emissions which align to the PAS 2080:2023 carbon reduction hierarchy of avoid, switch or improve.

- Avoid** Evaluate the basic need for the activity, task, product or material.
- Switch** Assess alternative solutions and then adopt one that reduces whole life emissions through alternative scope, design approach, materials, or technologies.
- Improve** Identify and adopt solutions and techniques that improve the use of resources and design life of an asset.

These documents are a key input to the creation of project specific carbon reduction plans.

3 Education and awareness

Our overall approach to emissions reduction is people centric, with the belief that if our employees are presented with the facts and are empowered to initiate change, we can trust them to seek out innovation and make the right decisions at all levels in the business. The cornerstone of our framework, therefore, rests in our ability to inspire behavioural change through education, awareness and empowerment, and to ensure carbon management and reduction principles are embedded into our business processes.

To support this, we will ensure our workforce receives carbon reduction training, awareness or an education programme relevant to their role, and we will facilitate a variety of ways to showcase and share best practice internally and externally.



4 Collaboration

In line with our People-Planet-Purpose sustainability strategy, it is our ambition to work with a like-minded and cooperative supply chain, to collate product specific emission data and drive innovation to reduce embodied carbon in products, services and materials. Collaborative relationships with our clients will enable us to deliver mutual benefits through carbon reduction and working with our supply chain will ensure we stay abreast of new technologies and solutions to reduce our impact.

We will also forge relationships with external partners to facilitate shared learning.



OUR CARBON REDUCTION TARGET

As part of our commitment to long-term protection of the natural environment, we aim to be Net Zero for all emissions by 2050 in line with UK Government strategy.

Our near-term targets include an aim to reduce scope 1, 2 and 3 emissions by 63% by 2035.

To direct action on our roadmap, we have set additional emission-source-specific targets, which can be found later in this document.

Progress towards our target will be externally verified through our Planet Mark certification, to ensure credibility and transparency.



NET ZERO EMISSIONS BOUNDARY

| | | |
|---------|---------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Scope 1 | Direct emissions from sources controlled or owned by VolkerWessels UK | Natural gas, fuels for our commercial fleet, fuels for plant and equipment, refrigerants, and business mileage in long term leased vehicles |
| Scope 2 | Indirect emissions associated with the purchase of electricity, heat or cooling | Electricity used in our offices and sites |
| Scope 3 | Indirect emissions from other sources | Business travel, commuting, water, waste, well-to-tank, transmission and distribution, capital goods, and the applicable products and services of our supply chain. |

We also recognise the challenge of reducing the embodied carbon in materials we procure, and the need for a pivotal shift by manufacturers in our supply chain to achieve this. We are focusing on five key materials which have significant embodied carbon, namely concrete, aggregate, asphalt, steel and timber. The carbon associated with these products is outside of our direct control and carbon reduction will rely on the technical innovation of our supply chain. We will work with clients, designers, supply chain and procurement teams to challenge inappropriate design and specification, and promote sustainable selection of materials to stimulate a downward trend in emissions ahead of our 2050 Net Zero carbon pledge.

VolkerWessels UK is also a signatory of the Science Based Targets Initiative ‘Business Ambition to 1.5°C’, confirming that we have committed to set a science-based target by 2025 that is in line with a 1.5°C future².



Footnotes
1‘Net Zero Carbon’ is when emissions must be reduced by a minimum of 90% prior to offsetting any residual emissions prior to offsetting residual emissions. This is in line with the SBTi definition for Net Zero.
Residual emissions from our activities are created because presently there are no viable lower carbon alternatives due to technological restraints, cost, availability or quality control.
2By signing the Science Based Targets Initiative ‘Business Ambition to 1.5°C’, VolkerWessels UK also becomes part of Race to Zero, a UN backed campaign, and will be showcased by the SBTi, UN Global Compact, and their partners, CDP and We Mean Business.

“Recognising and accepting the choices we make today have consequences that will affect the stability of our future is key; now is the time to act.”



TIMELINE

| 2024 | 2025 | 2027 | 2030 | 2035 | 2040 | 2050 |
|---------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|------------------------------------------------------|------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|
| Sustainable travel and accommodation plan developed and implemented | All projects above £1m will have a carbon target and report on their progress | 95% of company cars will be fully electric or hybrid | All subcontractors providing emissions data for materials/ products they procure on our behalf | 63% reduction in scope 1, 2 and 3 emissions | 100% of orders for heavy goods vehicles >7.5t will be hybrid, EV, or alternatively fuelled | VolkerWessels UK achieve Net Zero across all activities |
| | Materials decarbonisation plan developed and implemented | | 100% of sites powered using renewable electricity or alternative fuels | 100% of company car (LEX) orders will be zero emission vehicles | 80% of asphalt procured or specified will be low carbon | All subcontractors to be Net Zero Carbon* <i>*small and micro contractors (≤£10m) to be carbon neutral</i> |
| | Plant and tools decarbonisation plan developed and implemented | | 70% of new vans ordered will be zero emission | 100% of new vans ordered will be zero emission | Eliminate all but hazardous construction and demolition waste entering landfill | 100% of concrete procured or specified will be Net Zero |
| | 95% of sites powered using renewable electricity or alternative fuels | | 50% of concrete procured or specified will be low carbon | 100% of light goods vehicles (≤ 3.5 tonnes) orders will be hybrid, EV, or alternatively fuelled | 30% of aggregates procured or specified will be recycled or secondary aggregates | 100% of steel procured or specified will be Net Zero |
| | Our top 50 subcontractors providing emissions data for materials / products they procure on our behalf | | 50% of steel procured or specified will be low carbon | 100% of orders for heavy goods vehicles >3.5t to 7.5t, will be hybrid, EV, or alternatively fuelled | | 100% of asphalt procured or specified will be Net Zero |
| | PAS 2080 verification complete | | | 80% of diesel plant will be eliminated | | Zero avoidable waste to landfill |
| | | | | | | 100% of plant will be zero emissions |



RESPONSIBILITY AND ACCOUNTABILITY

This carbon reduction strategy outlines our corporate ambition to reduce the carbon emissions associated with our operations. The VolkerWessels UK board of directors fully endorses this strategy and have accepted their ultimate accountability for ensuring our commitments are achieved. Our ESG leadership group, attended by our CEO, Managing Directors, Corporate Responsibility Director, Group Procurement Director and Heads of Sustainability ensures there is sufficient focus and structure to facilitate this.

Underpinning this is the trust placed in each of our businesses to contribute to our overall goal by focussing on the activities specific to their operations. This structured, yet flexible approach, is in line with our wider People- Planet-Purpose sustainability framework and helps to ensure alignment with client ambitions, facilitates the need to embrace sector specific technologies quickly and responsively, and promotes responsibility at all levels to create a culture to think differently and innovatively about carbon reduction.



APPENDIX A

VolkerStevin Carbon Reduction Plan –
in accordance with requirements of
PPN 06/21

Commitment to achieving Net Zero

VolkerStevin is committed to achieving Net Zero by 2050.

Progress towards our target will be externally verified through our Planet Mark certification, to ensure credibility and transparency.

Baseline Emissions Footprint

| Baseline Year: 2019 | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|
| Additional details relating to the Baseline Emissions calculations The following emissions sources have been included in Scope 3 – waste generated in operations, business travel, employee commuting and downstream transportation and distribution. Emissions from ‘Upstream transportation and distribution’ have been excluded due to non-availability of data. | |
| Emissions | Total tCO ₂ e |
| Scope 1 | 7,814 |
| Scope 2 | 247 |
| Scope 3 | 3,539 |
| Total emissions | 11,600 |

Current Emissions Reporting

| Reporting Year: 2023 | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|
| The following emissions sources have been included in Scope 3 – waste generated in operations, business travel, employee commuting and downstream transportation and distribution. Emissions from ‘Upstream transportation and distribution’ have been excluded due to non-availability of data. | |
| Emissions | Total tCO ₂ e |
| Scope 1 | 4,159 |
| Scope 2 | 0 |
| Scope 3 | 1,104 |
| Total emissions | 5,263 |

Note: In line with our wider carbon reduction strategy and our plans to ensure access to robust data, we will continue to increase the scope of our reporting and seek to improve data quality. As such, the data presented above is actual, non-normalised, data.

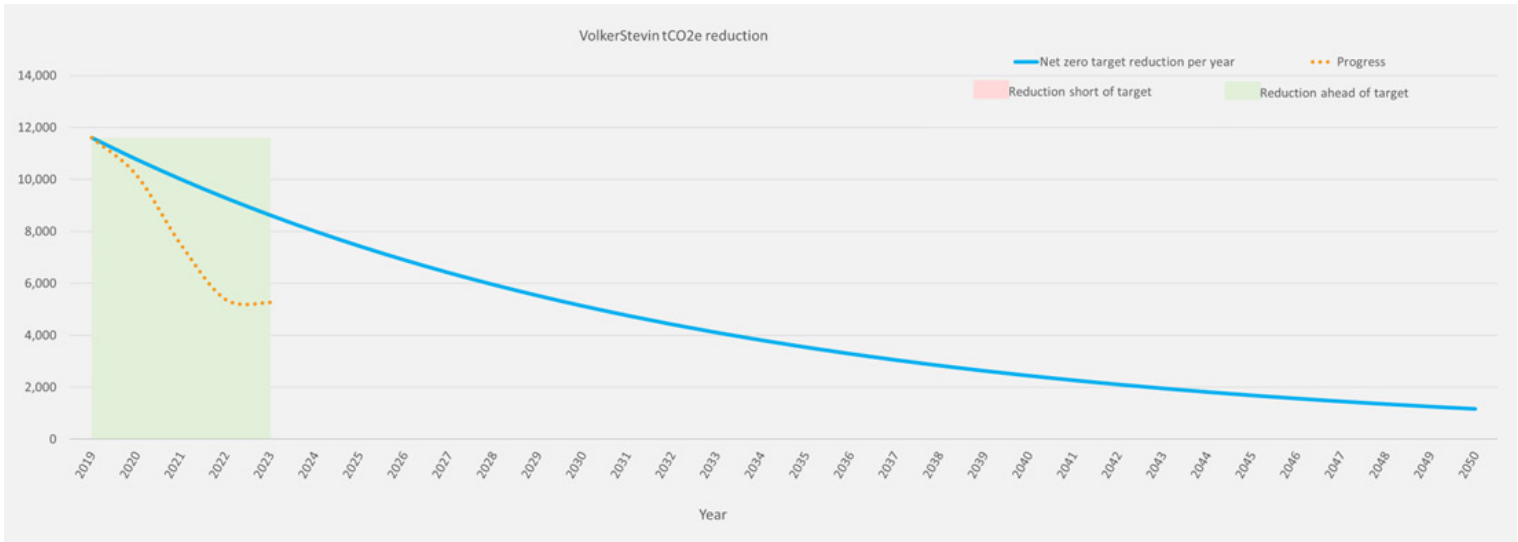
Emissions Reductions Targets

Commitment to achieving Net Zero

In order to continue our progress to achieving Net Zero, we have committed to an 7% year on year reduction in emissions. This target represents a 90% reduction in emissions against baseline by 2050 prior to offsetting any residual emissions. This is in line with the SBTi definition for Net Zero.

By adopting this target, we project that VolkerStevin carbon emissions will decrease to 5,945 tCO₂e in the next five years. This is a reduction of 49% against baseline.

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



Carbon Reduction Projects

Completed Carbon Reduction Projects

The following environmental management measures and projects have been completed or implemented since the 2019 baseline. The carbon emission reductions achieved by these schemes equates to 6,337 tonnes CO2e, a 55% reduction against the 2019 baseline and the measures will continue to be in effect when performing the contract.

VolkerStevin is certified to ISO 14001 and have the following initiatives in place relating to Scope 1, 2 and 3 emissions:

Scope 1 Carbon Reduction Projects

- A number of trials of hybrid and low carbon emission equipment have taken place and subsequently been successfully implemented on projects.
- We have a longstanding relationship with Lex Autolease who assist employees in choosing the most sustainably fuelled vehicle based on their individual circumstances and requirements. In 2023, VolkerStevin had 296 company cars, 261 of which are either hybrid or fully electric vehicles, representing 88% of the total fleet. This compares to 18 in 2019, 49 in 2020, 131 in 2021 and 181 in 2022.
- There are 31 new vehicles on order at the end of 2023 for delivery in 2024, 26 of which are either hybrid or fully electric, representing 84% of the vehicles on order.
- VolkerStevin currently have 150 commercial vehicles on fleet, 14 of which are electric, representing 9% of the total fleet. This compares to 14 in 2021, 18 in 2022 and 19 in 2023.
- Efforts to reduce emissions from driving have been focussed on shifting our reliance on diesel fuelled vehicles to hybrid and electric vehicles, and an increased use of technologies such as Teams where appropriate.
- To improve efficiency of diesel fuelled plant that cannot be replaced, we have carried out training of the operatives to increase awareness and reduce behaviour such as idling while waiting to work.

Scope 2 Carbon Reduction Projects

- VolkerStevin utilises the services of an energy broker to procure 100% REGO certified renewable energy for offices and large sites / projects with a mains energy feed.
- For sites which cannot be supplied by the mains, we review the choice and size of generator and consider suitable energy saving technology to support this, such as battery back up units, fuel flow monitors or solar panels. Other technologies will also be introduced where they are proven to be effective and available.
- We have increased our use of Energy Management Systems on projects with 6 or more cabins. Early engagement with our supply chain is identifying opportunities for energy savings through efficient and innovative site set up. We use energy management systems such as Ecolync from Intellegent Systems. We are trialling the Automate system from Gaia.

Scope 3 Carbon Reduction Projects

- VolkerStevin continues to reduce waste in accordance with the waste hierarchy (prevent, reduce, reuse, recycle, recovery, disposal) with a 99% diversion from landfill in 2023.
- Early engagement with our supply chain to identify opportunities for carbon savings through efficient and innovative site set up.

Future Commitments

In 2023 we published our refreshed Carbon Reduction Strategy to support the delivery of our People-Planet-Purpose sustainability framework. As part of our commitment to long-term protection of the natural environment, we initially aim to be Net Zero by 2035 for all Scope 1 and 2 emissions and for those Scope 3 emissions that are under our direct control, and ultimately Net Zero for all emissions by 2050 in line with UK Government strategy.

Progress towards our target will be externally verified through our Planet Mark certification, to ensure credibility and transparency.

To support this, VolkerWessels UK became a signatory of the Science Based Targets Initiative ‘Business Ambition for 1.5C’, confirming that we have committed to set a science-based target that is in line with a 1.5C future. We are working towards independent verification to PAS2080 by 2025 - the framework for carbon management in building and infrastructure projects, aiming to reduce greenhouse gas emissions and drive sustainable practices in the construction industry.

Our key drivers for change are:

- **Robust Data** - Good quality data enables good decision making. Our carbon footprint is calculated using an ‘Operational Control’ approach which means we capture data relating to the emissions that we have direct control over. We will continue to review carbon data from all emissions sources, to close gaps and further improve quality, and share this data with our operational teams to help facilitate informed discussions about opportunities for carbon reduction.
- **Targeted reduction around known key emission sources** -This element of our strategy is critical to ensure we put targeted effort into our carbon reduction decisions. It involves collaboration internally from our operational, procurement and design teams, plus engagement with our supply chain, supported by a commitment from our clients.

Each emission source has been analysed to identify opportunities for carbon reduction and include quick wins as well as the longer-term modern methods of construction which require cultural shifts in the way we deliver our projects, investment and innovation. The output of this analysis is a suite of emission reduction plans, owned and managed by functional leads in the business, consisting of short-, medium- and long-term actions to reduce emissions which align to the IEMA GHG Management Hierarchy of elimination, reduction, substitution and compensation.

- **Education and Awareness** - Our overall approach to emissions reduction is people centric, with the belief that if our employees are presented with the facts and are empowered to initiate change, we can trust them to seek out innovation and make the right decisions at all levels in the business. The cornerstone of our framework, therefore, rests in our ability to inspire behavioural change through education, awareness and empowerment, and to ensure carbon management and reduction principles are embedded into our business processes.

To support this, we will ensure our workforce receives carbon reduction training, awareness or an education programme relevant to their role, and we will facilitate a variety of ways to showcase and share best practice internally and externally.

- **Collaboration** -In line with our People-Planet-Purpose sustainability strategy, it is our ambition to work with a like-minded and cooperative supply chain, to collate product specific emission data and drive innovation to reduce embodied carbon in products, services and materials. Collaborative relationships with our clients will enable us to deliver mutual benefits through carbon reduction and working with our supply chain will ensure we stay abreast of new technologies and solutions to reduce our impact.

We will also forge relationships with external partners to facilitate shared learning.

The VolkerWessels UK board of directors fully endorses this strategy and have accepted their ultimate accountability for ensuring our commitments are achieved. Our ESG leadership group, attended by our CEO, Managing Directors, Corporate Responsibility Director, Group Procurement Director and Heads of Sustainability ensures there is sufficient focus and structure to facilitate this.

Underpinning this is the trust placed in each of our businesses to contribute to our overall goal by focussing on the activities specific to their operations. This structured, yet flexible approach, is in line with our wider People-Planet-Purpose sustainability framework and helps to ensure alignment with client ambitions, facilitates the need to embrace sector specific technologies quickly and responsively, and promotes responsibility at all levels to create a culture to think differently and innovatively about carbon reduction.

DECLARATION AND SIGN OFF

This Carbon Reduction Plan has been completed in accordance with PPN 06/21 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 standard and uses the appropriate Government emission conversion factors for greenhouse gas company reporting.

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

This Carbon Reduction Plan has been reviewed and signed off by the Board of Directors for VolkerStevin.

Signed:

John Cox

Date:

30 June 2024



John Cox, Managing director

For more information about our carbon reduction plans, please email: sustainability@volkerwessels.co.uk

FURTHER INFORMATION

For further information about our Carbon Reduction Strategy, please contact sustainability@volkerwessels.co.uk or visit our website volkerwessels.co.uk



