



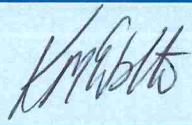


# HOCHTIEF UK CONSTRUCTION

## SUSTAINABILITY

### CARBON REDUCTION PLAN

00000-HUK-GHS-XX-PL-Z-0002

	Issue: 02
	Date: April 2023

	Name	Position (Role)	Signature	Date
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Reviewed by:	Kevin Rowell	Project Director		18/04/2023
Accepted:	Lawrence Jackson	Managing Director		18/4/23

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# 1. Executive Summary

## 1.1. Purpose

The Carbon Reduction Plan meets the requirements of the Procurement Policy Note PPN06/21; 'Taking Account of Carbon Reduction Plans in the Procurement of Major Government Contracts' published in June 2021 and the supporting 'Technical Standard for the Completion of Carbon Reduction Plans'.

## 1.2. Scope and Reporting Standards

HOCHTIEF(UK) operations comprise of the design, construction and management of all forms of major building, civil engineering and underground projects, as sole contractor or in a joint venture or as a member of a consortium.

Operating from a main office and mobile site offices, using mobile plant, equipment and vehicles which are powered by electricity, gas and fuel throughout the United Kingdom".

The calculation of HOCHTIEF(UK) carbon footprint is in line with the Greenhouse Gas Protocol Corporate Accounting & Reporting Standard and the ENCORDER Construction CO2e Measurement Protocol.

A carbon intensity figure is calculated (*t/CO2e against turnover*) to give a true reflection of the carbon reductions that are achieved when aligned with business activity.

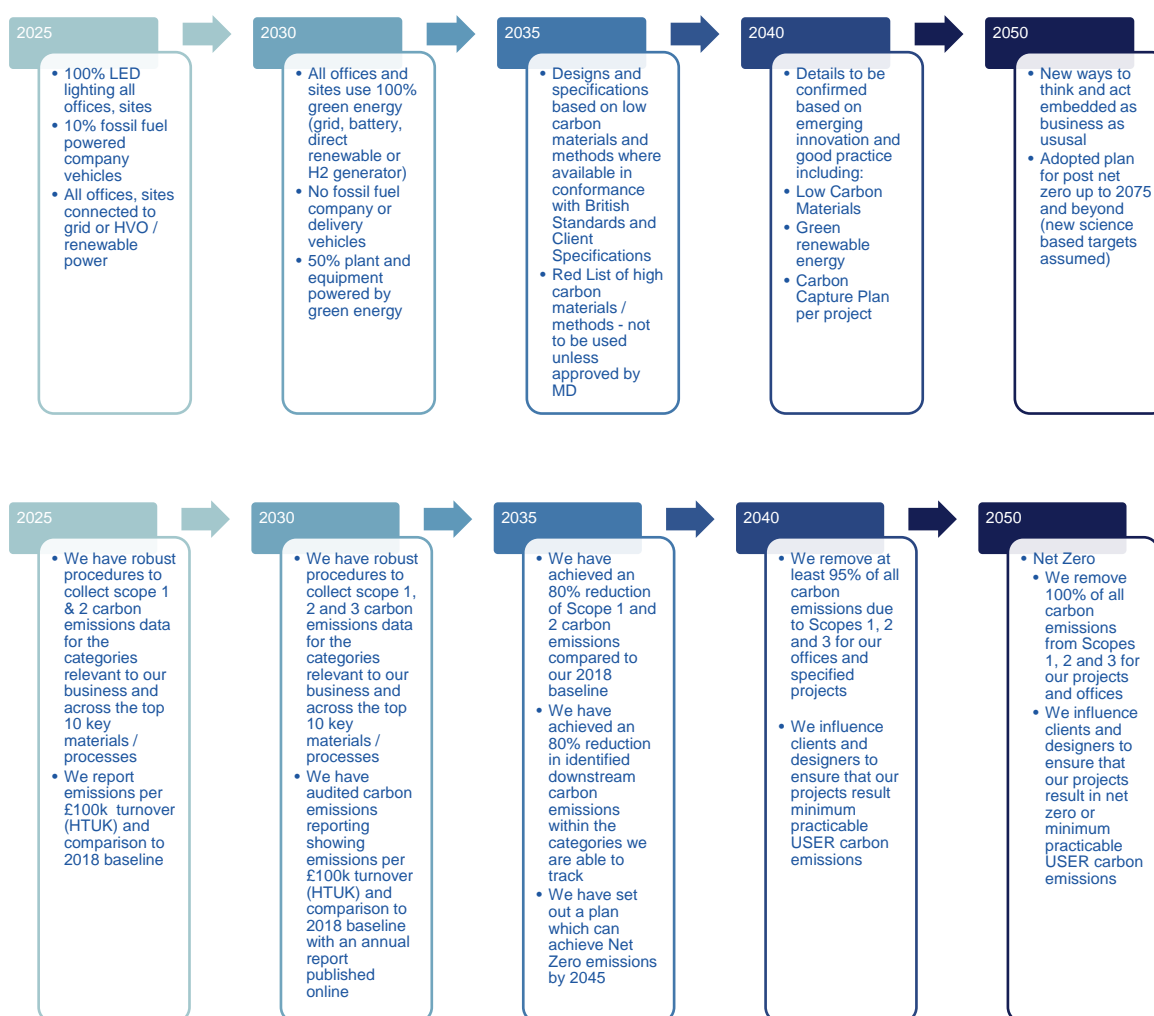
## 2. Commitment to achieving Net Zero

HOCHTIEF(UK) is committed to achieving net zero carbon emissions by **2045**

Scope 1 and Scope 2 carbon emissions are classed as **business operational carbon** as it related to energy use that is within our control.

Scope 3 emissions arise from the value chain and although beyond direct control we can seek to reduce them by the choices that we make.

### Carbon Emissions Reduction Plan:



\* Top 5 carbon intensive materials (steel, concrete, timber, aggregates, asphalt, other cementitious products)

\* Top 5 carbon intensive activities (earthworks, road surfacing, tunnelling, travel, heating)

\*Design out waste means challenge design to minimise situations where waste is likely to be generated (waste includes materials, energy, water, human resources)

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### 3. Baseline Emissions Footprint

<b>Baseline Year: Hochtief (UK) financial year 2019 (1<sup>st</sup> January – 31<sup>st</sup> December)</b>	
HOCHTIEF(UK) has measured and reported scope 1 and 2 emissions since 2014 and has been certified to ISO 50001 Energy Management since 2016. The baseline year 2019 is that used by HOCHTIEF group to which we are aligned	
<b>Baseline year emissions</b>	<b>t/CO<sub>2</sub>e</b>
<b>EMISSIONS</b>	<b>1245.49</b>
<b>Scope 1</b>	<b>1094.25</b>
<b>Scope 2</b>	<b>151.24</b>
<b>Scope 3</b>	Not previously calculated, our baseline year for scope 3 will be 2023 (1 <sup>st</sup> January-31 <sup>st</sup> December). See section 4 for Scope 3 information
<b>Total Emissions</b>	<b>1245.49 t/CO<sub>2</sub>e</b>
<b>Carbon Intensity (CO<sub>2</sub>e/£100k turnover)</b>	<b>2.20 t/CO<sub>2</sub>e</b>

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## 4. 2022 Performance

<b>Carbon Emissions Report 2022</b>	
<b>Scope 1</b>	<b>570 t/CO<sub>2</sub>e</b>
<b>Scope 2</b>	<b>1209 t/CO<sub>2</sub>e</b>
<b>Scope 3</b>	<b>Baseline for Scope 3 to be presented in 2023</b>
<b>Total Emissions</b>	<b>1779t/CO<sub>2</sub>e</b>
<b>Carbon Intensity (CO<sub>2</sub>e/£100k turnover</b>	<b>2.04</b>

In 2022 HTUK reported a 7.27% reduction in the carbon intensity figure. A copy of the Energy & Carbon Management Review can be found on the company website.

## 5. Scope 3 Emissions

HOCHTIEF(UK) collects some data around Scope 3 activities including measurement of construction, demolition and excavated waste produced by our activities, water consumption, fuel used by our subcontractors and public transport use by our employees. In developing our route to net zero, we have reviewed our Scope 3 carbon emissions categories and have aligned to the GHG Protocol Corporate Accounting and Reporting Standard and ENCORD Construction CO2e Measurement Protocol.

We made the decision not to estimate our Scope 3 performance for the financial year 2022, but to focus on implementing the reporting processes required to ensure robust Scope 3 data capture to enable setting of an accurate baseline which will be reported in the Carbon Reduction Plan update in 2023. Progress against the baseline will be reported in subsequent years.

		Relevant HTUK scope 3 carbon emissions for reporting categories			
		Air Travel	Waste	Materials embodied carbon	Employees
PPN06/21 scope 3 reporting requirements	Upstream transportation & distribution			Cradle to site emissions included in embodied carbon figures	
	Waste generated in operations		Construction, demolition & excavation waste		
	Business travel (not included in Scope 1&2)	Public transport			
	Employee commuting				Commuting mileage not paid for by HTUK

The Scope 3 category **Downstream transportation and distribution** does not apply to HOCHTIEF(UK) operational activities.



## 6. Emission reduction targets

Our overall approach to achieving net zero carbon follows a four-step process.

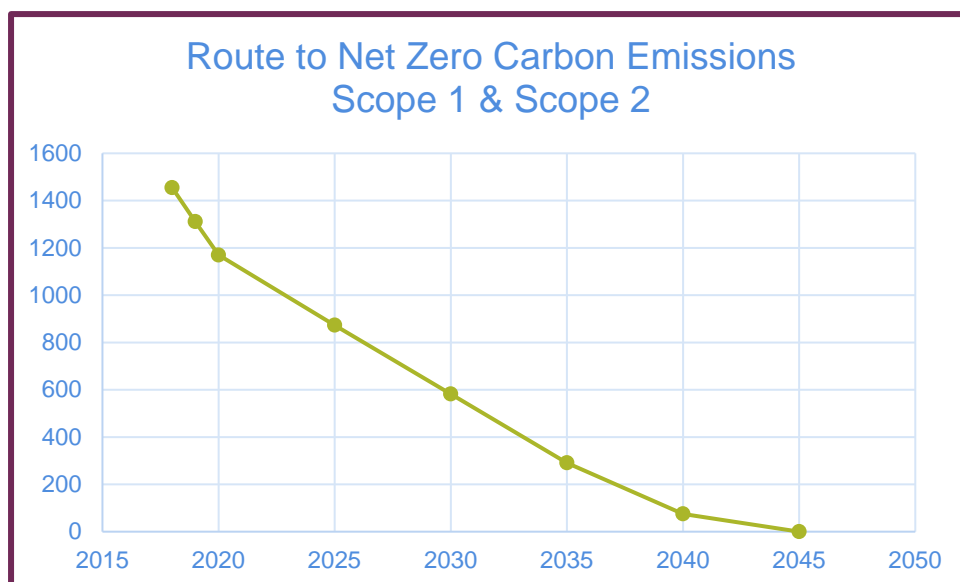
**Review** – assess and improve processes, tools, and systems for carbon emission data collection

**Reduce** – implement energy and carbon reduction and efficiency measures to reduce energy demand

**Renew** – identify and implement measures to increase generation and use of renewable energy

**Rebalance** – offset the remaining balance of carbon following reduce and renew measures (with restrictions)

- HTUK business activities in the financial year 2018, provide the baseline for all carbon reporting activities.
- In 2019 HTUK improved internal reporting processes to ensure robust data capture for Scope 1 and Scope 2 emissions
- In 2021 HTUK developed our Route to Net Zero
- In 2022 developed the tools to capture Scope 3 value chain emissions





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## 7. Carbon Reduction Projects

### Environmental Management Systems

**Certification to ISO 14001:2015 (since 2003)**

**Certification to ISO 50001:2018 (since 2015)**

### Communication and Engagement

- Establish Sustainable Action Group in 2019 to look at 17 aspects of sustainability (*Environmental Management; Sustainability Strategy; Business Ethics, Biodiversity, Water, Carbon, Energy, Procurement, Wellbeing, Modern Slavery; Waste & Resource Efficiency; Materials; Air Quality; Fairness, Inclusion & Respect; Employment; Training & Skills; Community*)
- Develop action plan to improve sustainability performance across the business & monitor progress
- HTUK Sustainability Action Plan aligned with HOCHTIEF group Sustainability Development Plan 2025
- Regular reporting carbon emissions to Senior Management team
- Information pack for supply chain setting out HTUK sustainability requirements
- Internal webinars and training
- Use of virtual technology to reduce travel to meetings

### Fleet Improvements

- Increased availability of electric and hybrid vehicles in the company car fleet

### Estate and Premises Improvements

- Documented Minimum Standards for Plant with a focus on energy efficiency/carbon reduction (this includes site accommodation)
- EV charging points at all sites where a mains power supply exists

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## 8. 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 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 SECR requirements, and the required subset of Scope 3 emissions will be reported in the 2022 update of this plan, 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 Strategic Management Team

Name ..... *L. Jackson* .....

Signed ..... *[Signature]* .....

Position ..... *[Signature]* .....

Date ..... *18/4/23* .....

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## 9. Governance

### 9.1. Document Reviews and Updates

This document is reviewed on an annual basis by the Senior Environmental & Sustainability Adviser.

## 10. Terms and Definitions

The table below defines frequently used acronyms and abbreviations within this document.

Abbreviation / Acronym	Definition
<b>Greenhouse Gas (GHG)</b>	All 6 gasses contributing to climate change or global warming: CO <sub>2</sub> ; Methane, SF <sub>6</sub> , N <sub>2</sub> O and HFC's – and water vapour
<b>CO<sub>2</sub>e</b>	Carbon Dioxide equivalent of all GHG emissions
<b>Net Zero GHG emissions</b>	UK total greenhouse gas (GHG) emissions will be equal to or less than emissions removed from the environment
<b>Climate Change Act 2008</b>	UK target 80% reduction in GHG emissions compared to 1990 levels
<b>Climate Change Act 2019</b>	UK target 80% reduction in GHG emissions compared to 1990 levels
<b>Carbon budget</b>	5-yearly budget setting a legal limit to UK GHG emissions
<b>Scope 1 Emissions</b>	GHG emissions that a company is directly responsible e.g. burning fuel.
<b>Scope 2 Emissions</b>	GHG emissions that a company is indirectly responsible for e.g. the purchase of electricity or energy for heating & cooling buildings
<b>Scope 3 Emissions</b>	GHG emissions indirectly associated with the business up and down the value chain e.g. purchase of materials, business travel, managing waste

Table 1: Definitions

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**HOCHTIEF (UK) Construction Limited**

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