

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 preindustrial 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



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OUR DRIVERS OF CHANGE

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

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 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.



aluate the basic need for e activity, task, product material.

Assess alternative solutions and then adopt one that reduces whole life emissions through alternative scope, design approach, materials, or technologies.

nentify and adopt solutions nd techniques that improve ne use of resources and esign life of an asset.

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

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.

VolkerWessels UK

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.





DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

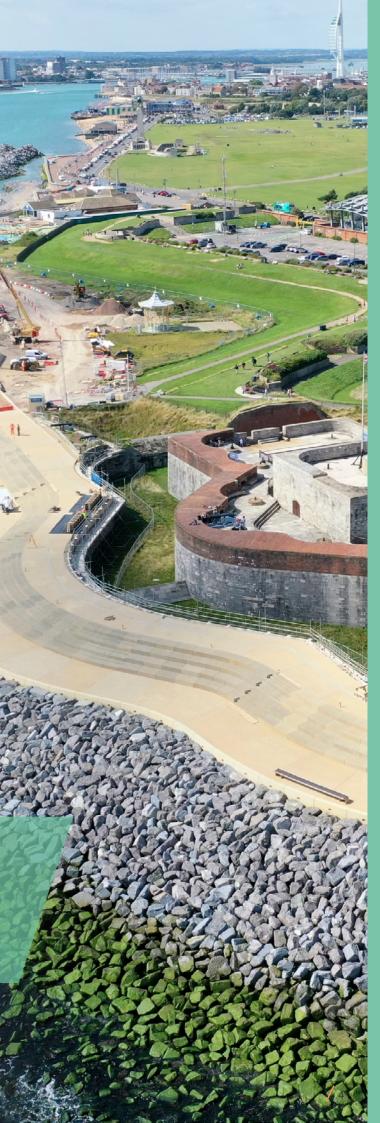
Footnotes

1'**Net Zero Carbo**n' 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 guality control.

2By signing the Science Based Targets Initiative 'Business Ambition to 1.5C', 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

Sustainable travel and accommodation plan developed and implemented All projects above cm will have a carbon target and report on their progress g5% of company cars will be fully electric or hybrid All subcontractors providing emissions data for materials/ products they procure on our behalf Materials decarbonisation plan developed and implemented Materials decarbonisation plan developed and implemented 100% of sites powered using renewable electricity or alternative fuels Plant and tools decarbonisation plan developed and implemented 70% of new vans ordered will be zero emission g5% of sites powered using renewable electricity or alternative fuels 50% of concrete procured or specified will be low carbon 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 PAS 2080 verification PAS 2080 verification	63% reduction in scope 1, 2 and 3 emissions 100% of company car (LEX) orders will be zero emission vehicles 100% of new vans ordered will be zero emission 100% of light goods vehicles (≤ 3.5 tonnes) orders will be hybrid, EV, or alternatively fuelled	 100% of orders for heavy goods vehicles >7.5t will be hybrid, EV, or alternatively fuelled 80% of asphalt procured or specified will be low carbon Eliminate all but hazardous construction and demolition waste entering landfill 30% of aggregates procured or specified will be recycled or secondary aggregates 	VolkerWessels UK achieve Net Zero across all activities All subcontractors to be Net Zero Carbon* *small and micro contractors (≤£10m) to be carbon neutral 100% of concrete procured or specified will be Net Zero 100% of steel procured or specified will be Net Zero
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subcontractors providing emissions data for materials / products they procure on our behalf or specified will be low carbon PAS 2080 verification PAS 2080 verification		secondary aggregates	
	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
complete	80% of diesel plant will be eliminated		Zero avoidable waste to landfill
	The second secon	Y	100% of plant will be zero emissions

RESPONSIBILITY AND ACCOUNTABILITY

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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.



FURTHER INFORMATION

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





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