

A large offshore wind turbine stands in the middle of a vast, blue ocean under a clear sky. The turbine has three long, white blades and a yellow support structure at the base. The text 'Carbon Reduction Strategy' is overlaid on the left side of the image.

Carbon Reduction Strategy

Incorporating  **VolkerHighways** carbon reduction plan in accordance with the requirements of PPN 06/21

INTRODUCTION

It is widely accepted that aspects of our modern lives are having a negative impact on our climate. The impacts of climate change, once considered to be in the 'future', are sadly ever-present in the 'now', with reports of forest fires and droughts, and documented evidence of rising sea levels common reading in the worldwide press.

There is an acceptance that, unless our trajectory shifts, 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 and, as the world begins to recover from the COVID-19 pandemic, the message from the UK Government remains clear; build back better, by building back greener. The publication of the Policy Procurement Notice 06/21 further cements this commitment, requiring Carbon Reduction Plans for all organisations bidding for major government contracts. Our Business Carbon Reduction Plans can be found in Appendix A of this document.

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. The challenge is how we approach this and, importantly, that we sustain these efforts. It is therefore our intent to use education as the cornerstone of our approach to motivate our greatest asset - our people - to think innovatively about carbon reduction, in order to make a difference. We have targets and measures in place to help us focus our corporate roadmap, and we recognise that it will be our ability to engage people on the journey that will have the greatest impact.



Alan Robertson
CEO

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OUR APPROACH

Our approach is people centric and based around behaviours, 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. Our plan is based on the need to educate, motivate and innovate.

EDUCATE – to raise awareness and engender a sense of responsibility

MOTIVATE – to be optimistic about our ability to make a difference

INNOVATE – to make the change and bring people on the journey

Our framework for carbon reduction, underpinned by our wider People-Planet-Purpose sustainability framework, outlines our collective ambition and approach, at the same time as allowing each of our businesses to contribute, by focussing on the activities specific to their operations.

This flexibility promotes alignment with clients' ambitions, as well as the ability to embrace technologies quickly and responsively. Our overall aim is to promote collective and collaborative learning, to enable us to become more confident in our ability to innovate and instigate the change necessary to sustain our efforts.

RESPONSIBILITY AND ACCOUNTABILITY

In accordance with our People-Planet-Purpose sustainability framework, every VolkerWessels UK employee has a responsibility to make decisions informed by an inherent culture to do business in the right way. Our corporate responsibility, therefore, is that of a facilitator of change; to empower, encourage, make funds and resources available, share research and best practice, and to engender a culture of thinking differently and innovatively about carbon reduction. Our education and awareness programmes will reinforce and promote this.

The VolkerWessels UK board of directors has accepted its ultimate accountability for ensuring that our carbon reduction strategy is achieved. The leadership of our directors is key, demonstrating their willingness to steer and shape the way we do business and provide the resources and investment required to facilitate this.



The board is advised by a **Carbon Steering Group**, comprising senior, decision-making representatives, who will drive change in their respective businesses.

The **Carbon Working Group** informs the Steering group and is responsible for identifying, commissioning, governing and sponsoring Task and Finish groups, and driving forward our carbon agenda.



Task and Finish Groups are established to add focus and take action in specific areas of our carbon reduction strategy.

OUR CARBON REDUCTION TARGET

It is VolkerWessels UK's target is to be Net Zero by 2035 for all Scope 1 and 2 emissions, and for those Scope 3 emissions which are under our direct control (as detailed in the table below). To support this, VolkerWessels UK is 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 that is in line with a 1.5°C future*.



2035

Our target will be achieved primarily through ambitious carbon reduction, and secondly through robust and credible offsets for our unavoidable emissions**. We will introduce 10% year on year incremental offsetting, starting from 2025, culminating in full offset by 2035. We recognise the wider benefits of offsetting residual

emissions earlier in our Net Zero journey, at the same time as continuing to pursue reductions in overall emissions.

VolkerWessels UK will also continue to work with our clients, our supply chain and our procurement teams, to promote sustainable choices of materials and stimulate a downward trend in emissions resulting from the materials used on our projects.



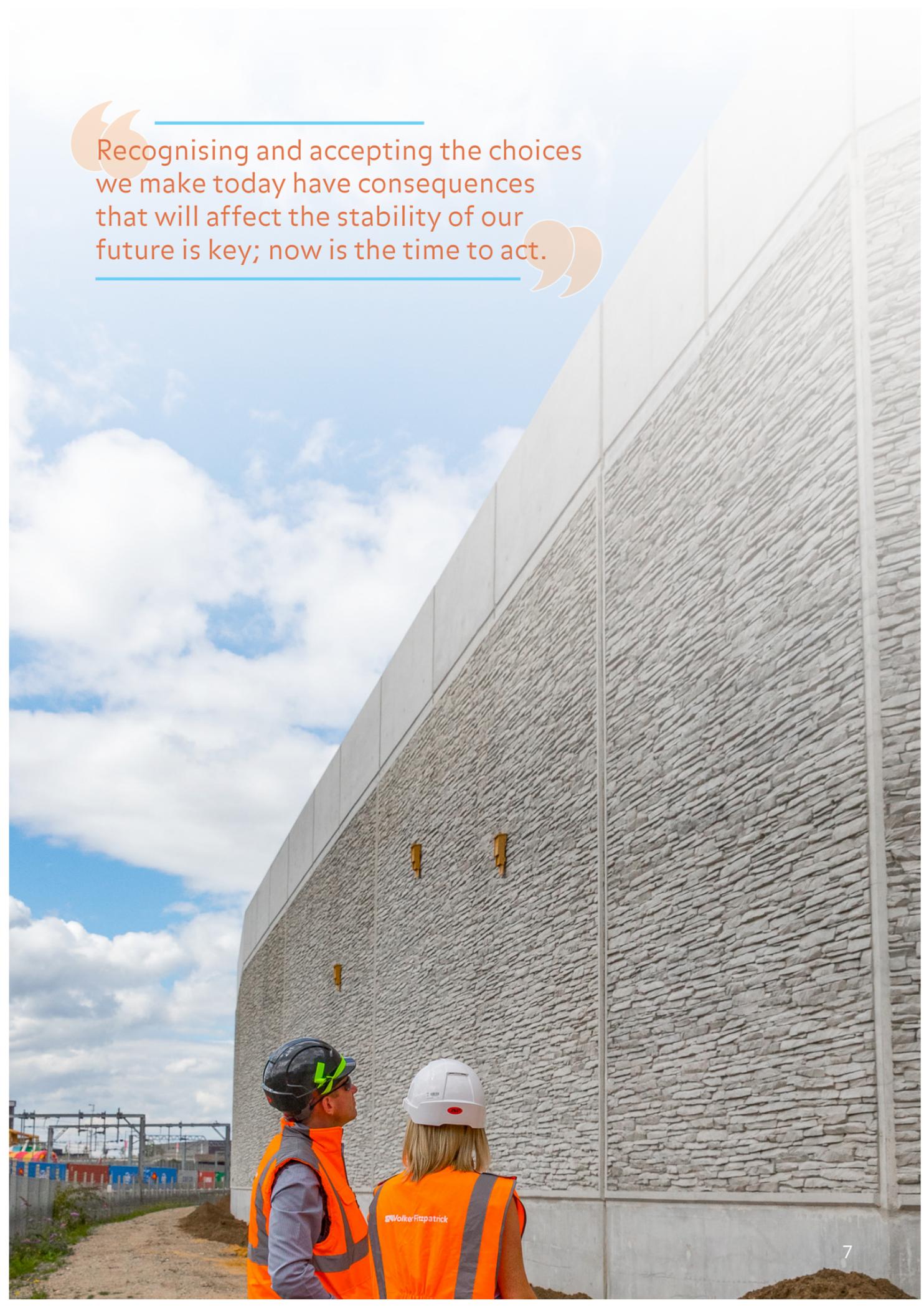
PlanetMark

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

	Emission sources
Scope 1 Direct emissions resulting from sources that are controlled or owned by VolkerWessels UK	Natural gas, and fuels used in on-site equipment, our commercial fleet, and for business mileage in long-term leased company vehicles
Scope 2 Indirect emissions associated with the purchase of electricity, heat or cooling	The electricity used in our offices and on our sites
Scope 3 Indirect emissions from other sources, not already included in Scope 1 or Scope 2	Train travel, flights, hotel stays, water, waste, electricity transmission/distribution, and fuel for business mileage in short-term leases and grey fleet

* By 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.
 ** Aligned to the UK Government's ambitions, 'Net Zero' means any residual emissions produced by VolkerWessels UK would be balanced by Gold Standard schemes to offset an equivalent amount of greenhouse gases from the atmosphere.

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.



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 over which we have direct control. We will continue to review carbon data, to close gaps and further improve quality.

2 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 will involve collaboration internally from our operational, procurement and design teams, plus engagement with our supply chain, supported by a commitment from our clients.

The emission sources in scope, as outlined on page 6, are those we have determined that we have control over. Each emission source will be analysed to identify quick win opportunities for carbon reduction, and we will explore those innovative technologies, along with opportunities to embrace digitisation and modern methods of construction which will require investment and longer-term commitments.

As we work towards achieving our targets, we will be guided by the IEMA GHG Management Hierarchy, using elimination, reduction, substitution and compensation as the consistent basis of our approach across all parts of the business, to achieve carbon reduction in the short, medium and long term.

Emission specific action plans will determine the desired outcome for each area of impact, for example removing our reliance on fossil fuels and shifting to renewable energy, seeking out new technologies to replace inefficient plant and equipment, and embracing modern methods of construction including digital solutions.

The action plans will also identify key risks and opportunities in relation to the desired outcomes and allow individual actions to be set at group and/or business unit level, enabling us to collectively achieve the desired outcome(s).



3 Development and implementation of an inspiring education and awareness programme

The cornerstone of our framework is 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.

As we continue to seek to fully understand the impact of our activities and the opportunities that exist to limit this impact, we will share our experiences, best practice and new technologies with our workforce to inspire, raise awareness and ensure our reduction strategies are far reaching across all parts of our business.

We will ensure 100% of our workforce receives carbon reduction training, awareness or an education programme relevant to their roles.

Our communications will be multifaceted, to meet the needs of everyone working on our behalf, and our external stakeholders.



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 drive innovation. 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.



APPENDIX A

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



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

Supplier name: VolkerHighways

Publication date: September 2021

Commitment to achieving Net Zero

VolkerHighways’ target is to be Net Zero by 2035 for all Scope 1 and 2 emissions, and those Scope 3 emissions which are under our direct control. To support this, VolkerHighways’ holding company, VolkerWessels UK is 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 that is in line with a 1.5°C future.

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:	
In 2019, VolkerHighways did not capture emissions relating to the following sources, as required by this PPN:	
<ul style="list-style-type: none"> ■ Upstream transportation and distribution (new requirement of PPN 06/21) ■ Employee commuting (new requirement of PPN 06/21) 	
Emissions	Total CO2e
Scope 1	1,883.38
Scope 2	111.72
Scope 3 (included emissions: waste, water treatment and business travel)	622.06
Total emissions	2,617.15

Current Emissions Reporting

Reporting Year: 2020	
Emissions	Total CO2e
Scope 1	2,125.42
Scope 2	74.48
Scope 3 (included emissions: waste, water treatment and business travel)	1,186.28
Total emissions	3,386.17

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. The percentage reductions presented below however, are based on year on year normalised data. This means that we state reductions based on like for like emission sources.

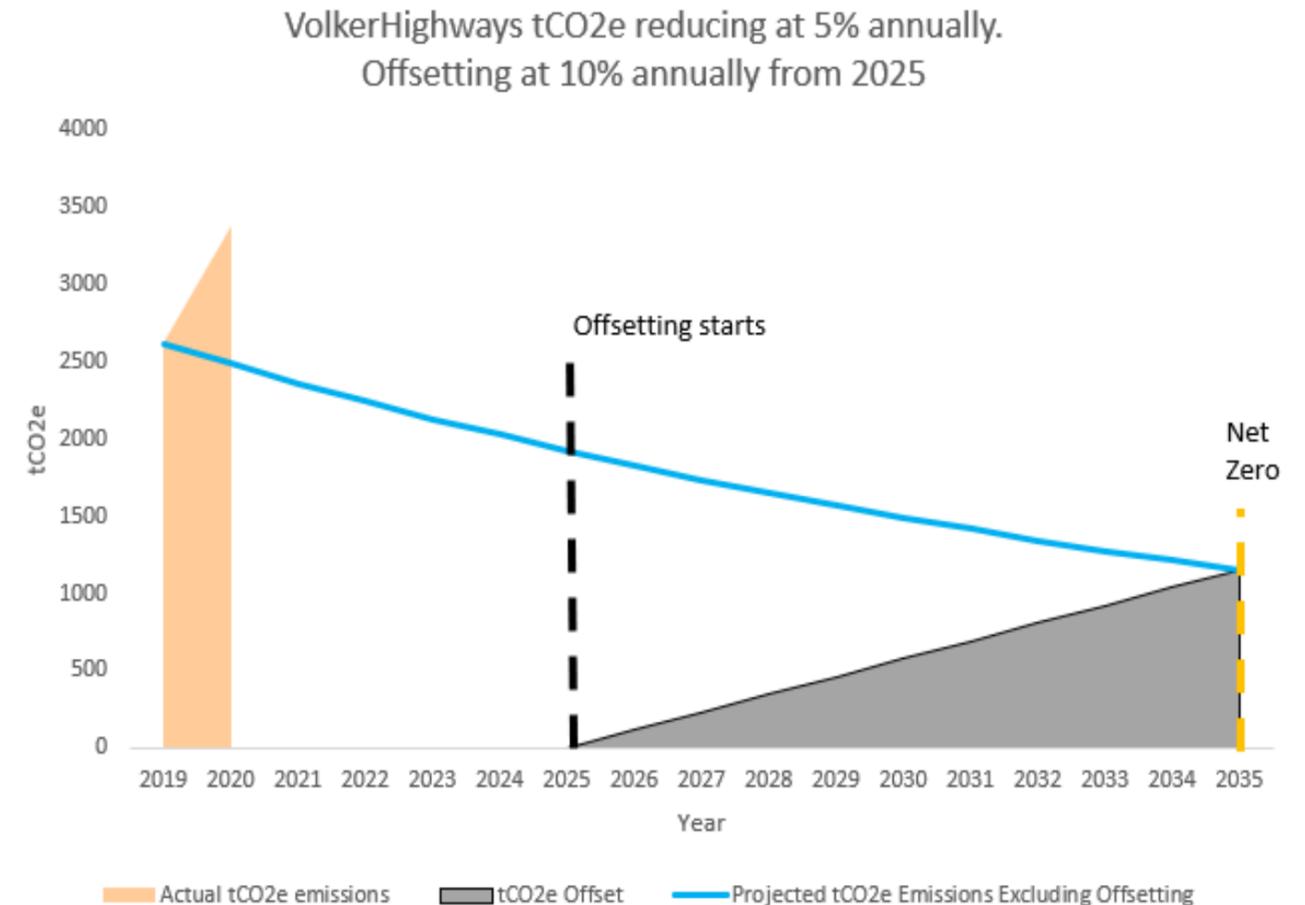
Commitment to achieving Net Zero

In order to continue our progress to achieving Net Zero, we have committed to a 5% year on year reduction in emissions. By adopting this target, we project that VolkerHighways’ carbon emissions will decrease to 1,827.65 tCO2e in the next five years. This is a reduction of 30% against baseline.

Our target will be achieved primarily through carbon reduction and secondly through robust and credible offsets for our unavoidable emissions for those emissions in scope. We will introduce incremental offsetting year on year, starting from 2025 and culminating in full offset by 2035, recognising our responsibility and the wider benefit to offset residual emissions earlier in our Net Zero journey alongside continuing to pursue reductions in overall emissions.

Including our offsetting commitment, we project that VolkerHighways carbon emissions will decrease to 1,463.14 tCO2e in the next five years. This is a reduction of 44% against baseline.

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



Carbon Reduction Projects

The VolkerWessels UK Board of Directors has accepted its ultimate accountability for ensuring that our carbon reduction strategy is achieved. The leadership of our directors is key, demonstrating their willingness to steer and shape the way we do business and provide the resources and investment required to facilitate this.

The Board is advised by a Carbon Steering Group, comprising of senior, decision-making representatives, who will drive change in their respective businesses. The Carbon Working Group informs the Steering group and is key to driving the carbon agenda, by being responsible for identifying, commissioning, governing and sponsoring Task and Finish groups. Task and Finish Groups are established to add focus and take action in specific areas of our carbon reduction strategy.

The following environmental management measures and projects have been completed or implemented since the 2019 baseline. Unfortunately, there were increases to the carbon emissions, equivalent to 769.02 tCO₂e, the equivalent of a 29% increase against the 2019 baseline, however the measures will continue to be in effect when performing the contract.

Scope 1 Carbon Reduction Projects

The use of red diesel for construction plant and equipment is the largest source of emissions for VolkerHighways. Since 2019, a number of hybrid and low carbon emission equipment trials have taken place and subsequently been successfully implemented on projects to reduce emissions where alternative fuel equipment is not available. These projects have resulted in a reduction in emissions from gas oil by 134.26 tCO₂e, equating to a 22.95% reduction between 2019 and 2020.

Emissions from our commercial fleet of vehicles accounts for 1,260 tCO₂e in 2019 and 1,660 tCO₂e in 2020, representing a 31.78% increase. Between 2019 and 2020 there was a 26% increase in the number of commercial vehicles on fleet.

Scope 2 Carbon Reduction Projects

VolkerHighways utilises the services of an energy broker to procure 100% REGO backed renewable energy for offices and large sites / projects with a mains energy feed. The impact of this was an 33.34% reduction in market-based emissions and 37.24 tCO₂e between 2019 and 2020.

Scope 3 Carbon Reduction Projects

Efforts to reduce emissions from driving have been focused on shifting our reliance on diesel fuelled vehicles to hybrid and electric vehicles, as well as an increase in the use of technologies, such as Teams, where appropriate. At the end of 2020, VolkerHighways had increased the number of hybrid and electric vehicles on its company car fleet to 10, from 2 in 2019.

VolkerHighways continues to reduce waste in accordance with the waste hierarchy (prevent, reduce, reuse, recycle, recovery, disposal). Despite this, between 2019 and 2020, there was a 171.15% increase in emissions from waste, from 399.12 tCO₂e to over 1,000 tCO₂e.



The impacts of the COVID-19 global pandemic were significant for VolkerHighways in 2020 in relation to the reduction in emissions relating to business travel. At the end of 2020, VolkerHighways had made reductions in air travel, train travel, and mileage. Air travel had reduced by 0.64 tCO₂e, a 100% decrease; train travel reduced by 2.19 tCO₂e an 81.14% decrease and mileage had reduced by 158.79 tCO₂e a 69.24% decrease.

In the future we will continue with the initiatives identified above and, in addition, will continually seek to implement further carbon reduction measures. VolkerWessels UK has adopted the following approach to ensuring going carbon reduction across all parts of the business:

- Ensuring ongoing robust data
- Targeted emissions plans for known emission sources, based on the 'IEMA GHG Management Hierarchy'; elimination, reduction, substitution and compensation
- Development and implementation of a carbon reduction education and awareness programme
- Collaboration internally and externally with our clients and supply chain.

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 VolkerHighways.

Signed: Alitair Thompson

Position: Managing director

Date: 28 September 2021

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



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