

Carbon Reduction Plan 2021

Commitment to Achieving Net Zero

Amalgamated Construction trading as Ltd AmcoGiffen is committed to achieving Net Zero emissions by 2040 for all Scope 1 and 2 emissions and those Scope 3 emissions under the organisation's direct control. As a demonstration of our commitment, we have signed up to the Science Based Targets Initiative (SBTI) and are committed to restricting global temperature increases in line with the Paris Agreement.

Baseline Emissions Footprint

Baseline emissions are a record of the greenhouse gases that have been produced in the past and were produced prior to the introduction of any strategies to reduce emissions. Baseline emissions are the reference point against which emissions reduction can be measured.

Baseline Year: October 2019 to September 2020 (FY2020)

Additional details relating to the baseline emissions calculations

In 2012, AmcoGiffen set a carbon reduction target of 20% by 2020 benchmarked against turnover. Through efficiency and innovation this target was exceeded by achieving a 28% reduction in CO₂e (carbon dioxide equivalent) emissions measured against turnover.

The target included all Scope 1 and 2 emissions and a limited subset of Scope 3 emissions. Specifically these were: grey fleet; hire cars on company business; and emissions from business use of public transport. After successfully achieving our previous target we have determined the financial year 2020 (October 2019 to September 2020) as the most appropriate point at which to set our new baseline.

This baseline includes Scope 1 and Scope 2 emissions. It also includes a limited subset of the Scope 3 emissions required by PPN6/21 based on data available at the time (PPN stands for procurement policy note which is the name of the requirements set by Government). The Scope 3 emissions reported in the baseline are:

- Business travel in vehicles not owned or operated by AmcoGiffen
- Commuting

No other scope 3 emissions were recorded, monitored or available to AmcoGiffen. In particular:

- Waste management
- Upstream transportation and distribution
- Downstream transportation of goods.

Baseline Year Emissions

EMISSIONS	TOTAL (tCO ₂ e)
Scope 1	7,170.6
Scope 2	396.3
Scope 3	1,964.7
Total Emissions	9,531.6

Current Emissions Reporting

Reporting Year: October 2020 to September 2021

EMISSIONS	TOTAL (tCO ₂ e)
Scope 1	8,028.9
Scope 2	340.4
Scope 3	1,525.0
Total Emissions	9,894

Additional details relating to the current emissions reporting calculations

The data above includes Scope 1 and 2 emissions and the following Scope 3 emissions required by PPN06/21:

- Grey fleet
- Commuting
- Waste management

It does not include the following as this data was not required prior to the release of PPN06/21. Specifically this is:

- Upstream transportation and distribution, which is a new reporting requirement for AmcoGiffen as required by this PPN; and
- Downstream transportation of goods.

In future years, relevant Scope 3 data shall be reported.

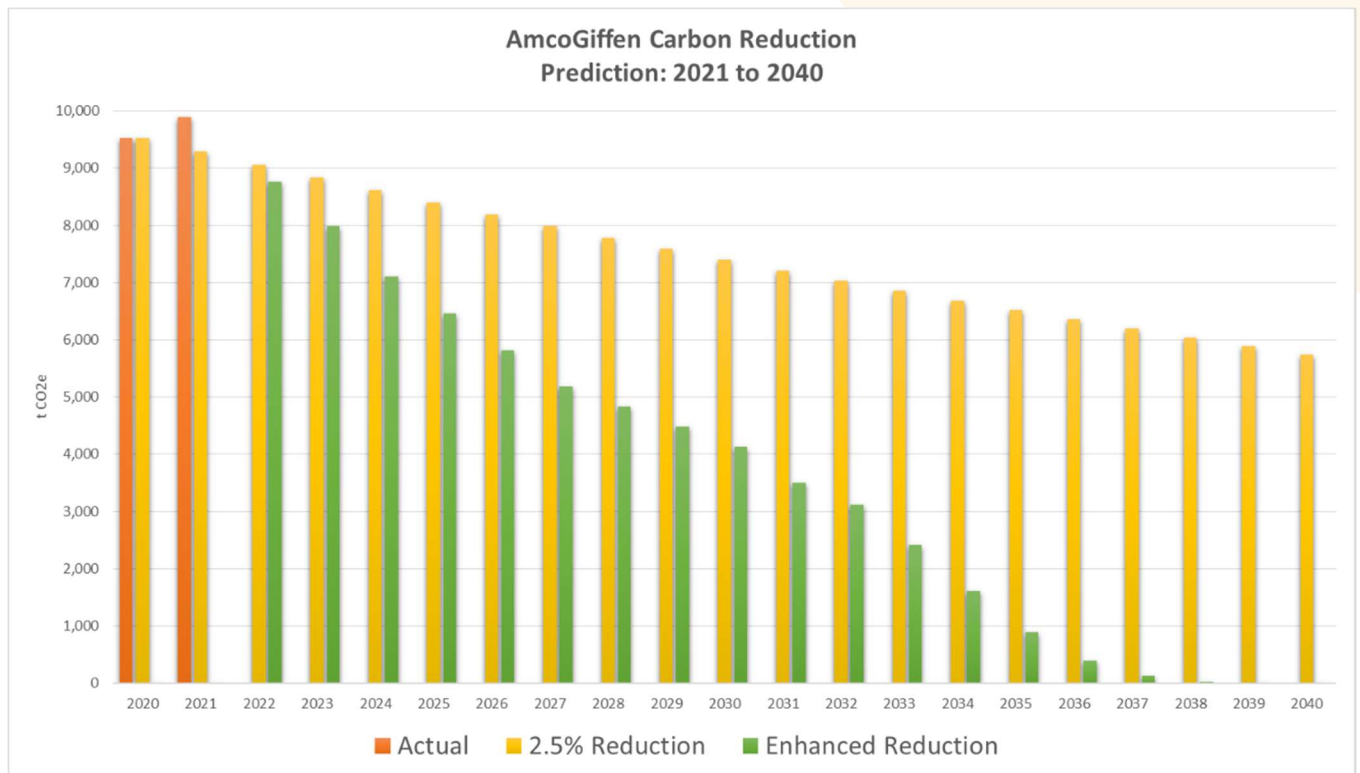
Emissions Reduction Targets

In order to continue our progress to achieving Net Zero, we have adopted the following carbon reduction target:

In line with the Science Based Targets Initiative we commit to reducing carbon emissions by 2.5% per annum.

Based on the above, we project that carbon emissions will decrease over the next five years to **8,188 tCO₂e** by **2026**. This is a reduction of **12%**

However, we consider there is the potential to significantly improve this metric by the implementation of enhanced measures, which are included within the company’s SHEQ247 Carbon Reduction Strategy. By implementing these enhanced measures there is the potential to reduce carbon emissions to 5,821 t CO₂e by 2026. This would be a reduction of 38.9%. This potential comes from significant uptake of hydro treated vegetable oil (HVO) as a replacement for red and white diesel and speeding up the switch over to lower carbon vehicles. It does not take into account any increase in business operations.



Carbon Reduction Projects

Completed Carbon Reduction Initiatives

The following environmental management measures and projects have been implemented since the 2020 baseline:

Science Based Targets Initiative: In August 2021 we became signatories of the Science Based Targets Initiative (SBTI) and committed to reducing carbon emissions in line with the Paris Agreement.

Green Electricity Tariff: In September 2021, via our energy broker, we signed up to a renewable electricity tariff for all depots and offices whose electricity supply is under our control. In accordance with carbon reporting requirements, carbon emissions from electricity consumption will still be reported using DEFRA electricity carbon conversion factors.

Trial to Reduce Gas Oil Consumption: In 2021 we undertook a trial to investigate the practicalities of using, and the potential carbon savings from the use of HVO, a renewable biodiesel fuel with a carbon footprint 94% lower than gas oil. We also trialled the use of battery storage units to power sites. The battery storage units (BSU) control site generators and switch the generators off when not required. Power to the site is provided from the battery, therefore supplying an accurate power demand rather than running a large generator inefficiently. The trial, at our Cefn Mawr Viaduct project, demonstrated a 94% reduction in carbon emissions and 49% reduction in fuel consumption.

Battery Operated Power Tools: We've held several events demonstrating battery operated hand tools in 2021 such as; during a project in Kent; part of a safety stand down in Basingstoke; an environmental innovation day at our head office; and, at the launch of our Representatives of Employee Safety Conference. Our aim is to encourage and promote using this technology in place of existing units powered by petrol/diesel. We will monitor uptake of this during 2022.

The carbon emission reduction achieved by these schemes will be calculated at the end of the 2022/23 financial year to allow reporting of: tCO₂e saved; and a percentage reduction against the 2020 baseline.

Future Proposals

The SBTI and PPN 06/21 both require commitment to reduce absolute carbon emissions. It is clear from the increase in emissions between the benchmark year and current reporting year the importance of monitoring absolute carbon emissions rather than setting carbon reduction targets against output. Although successful in our previous target, we must now concentrate on reducing absolute emissions regardless of the size of the organisation. We must also ensure we capture all data required by the SBTI and PPN06/21, in particular relevant Scope 3 data. Therefore we propose to undertake the following:

Data Monitoring and Reporting: Our approach to carbon reduction and data monitoring will change in line with our commitment to the SBTI and PPN06/21. We will not benchmark carbon reduction against turnover/headcount/output but commit to absolute reduction. We will expand our formal monitoring program for Scope 3 emissions under our direct control, as required by the SBTI and PPN, but not previously required.

Roll-Out HVO and BSU: The trial using HVO fuel and battery storage units at Cefn Mawr was so successful that in FY2022 we are instigating a company-wide commitment to replace gas oil with HVO fuel wherever practicable as well as maximise the potential for use of BSUs on site compounds.

Decarbonising our Fleet: Carbon emissions from AmcoGiffen's leased fleet accounts for 39% of its Scope 1 emissions. Using vehicle telemetry we have extensively analysed our driver profiles and are currently unable to switch en-masse to electric vehicles. This is due to the limited range offered by existing electric commercial vehicles compared to our vehicle usage. We have two EV vans on order and will trial these as pool cars within a team. This will allow the project manager to allocate the EV vehicle to the appropriate person each day based on their work location. If successful we will roll

this out further. As an interim measure we are trialling the use of white HVO in designated vehicles. We have on-hired two FPod fuel stations which are controlled through unique driver passcodes and fobs. We intend to distribute FPods across our work sites and depots so that drivers can refuel with HVO on site and in depots. The ultimate objective would be a 94% reduction in carbon emissions from our fleet with minimal change to infrastructure or individual vehicles.

Offsetting: AmcoGiffen's carbon reduction plan does not currently consider offsetting as a strategy to reach Net Zero. Further investigation into offsetting as well as alternative ways to reduce carbon are required before a decision on whether to include offsetting as part of the strategy is agreed.

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 green house gas reporting protocol corporate standard¹ and uses the appropriate Government emission conversion factors for greenhouse gas company reporting².

Scope 1 and Scope 2 emissions have been reported in accordance with SECR (Stream Lined Energy and Carbon Reporting) requirements, and the required subset of Scope 3 emissions have been reported in accordance with the published reporting standard for carbon reduction plans and the corporate value chain (Scope 3) Standard³.

This Carbon Reduction Plan has been reviewed and signed off by the board of directors (or equivalent management body).

Signed on behalf of AmcoGiffen:



Date: January 2022



¹ <https://ghgprotocol.org/corporate-standard>

² <https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting>

³ <https://ghgprotocol.org/standards/scope-3-standard>