

1.0 Commitment to Achieving Net Zero

Amalgamated Construction Ltd, trading as 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 set science-based emission reduction targets in line with the Paris Agreement to restrict global temperature increases. Our targets require a 42% reduction in Scope 1 & 2 emissions and 51.6% reduction in Scope 3 emissions by 2030. These targets were formally validated by the Science Based Targets Initiative (SBTi) in April 2024.

2.0 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.

Since completing our SBTi submission we have been able to revise the full scopes of emissions included within our baseline emissions calculation. As a result, additional Scope 3 categories and emissions data have been added, which resulted in higher total emissions of CO₂e, compared to what was reported in our Carbon Reduction Plans preceding 2024.

The revised FY 2020 baseline emissions comprise:

- Scope 1 emissions: *Diesel use in the construction process, company car mileage, commercial vehicles and relatively small refrigerant gas refills in admin offices (HVAC Cooling).*
- Scope 2 emissions: *Electricity use from site depots, construction compounds, temporary offices, admin offices (small number of solar panels on HQ building).*

It also includes eight Scope 3 emissions required by PPN06/21 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:

- Purchased goods and services
- Capital goods (included in Purchased goods and services)

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- Fuel and energy related activities
- Waste generated in operations
- Business travel in vehicles not owned or operated by AmcoGiffen.
- Employee Commuting
- Upstream transportation & distribution emissions (included in the purchased goods and services (PGS) category, as it is not possible to separate out the emissions relating to inbound transportation and distribution between AmcoGiffen and its suppliers from PGS, due to the holistic method that spend-based analyses take).
- Upstream leased assets (included as part of our calculation of Scope 1 & 2 emissions because we have used the operational control approach for determining our organisational boundaries).

Baseline Year Emissions

EMISSIONS	TOTAL (tCO ₂ e)
Scope 1	7,325.10
Scope 2	396.28
Scope 3	51,106.00
Total Emissions	58,827.38

3.0 Current Emissions Reporting

Reporting Year: October 2022 to September 2023

EMISSIONS	TOTAL (tCO ₂ e)
Scope 1	7,813.80
Scope 2	201.10
Scope 3	58,513.04
Total Emissions	66,527.94

Additional details relating to the current emissions reporting calculations

Emissions between our current reporting year (2022 to 2023) and both our baseline year and last reporting year (2021 to 2022) show an overall increase. This increase can be attributed to two factors (i) an overall increase in work delivered (ii) an upturn in diesel usage with a corresponding decrease in use of Hydrotreated Vegetable Oil (HVO) fuel for site power during the period. This situation arose primarily in response to uncertainties over HVO security of supply and the ongoing ethical viability of using HVO with our major clients.

This issue has now been remedied and we have reinstated our commitment to the use of HVO as a short-term sustainable alternative to diesel and are again seeing our emissions fall significantly for the new FY when compared to the same period last FY.

Our current emissions reporting data above includes:

- Scope 1 emissions: *Diesel use in the construction process, company car mileage, commercial vehicles and relatively small refrigerant gas refills in admin offices (HVAC Cooling).*
- Scope 2 emissions: *Electricity use from site depots, construction compounds, temporary offices, admin offices (small number of solar panels on HQ building).*

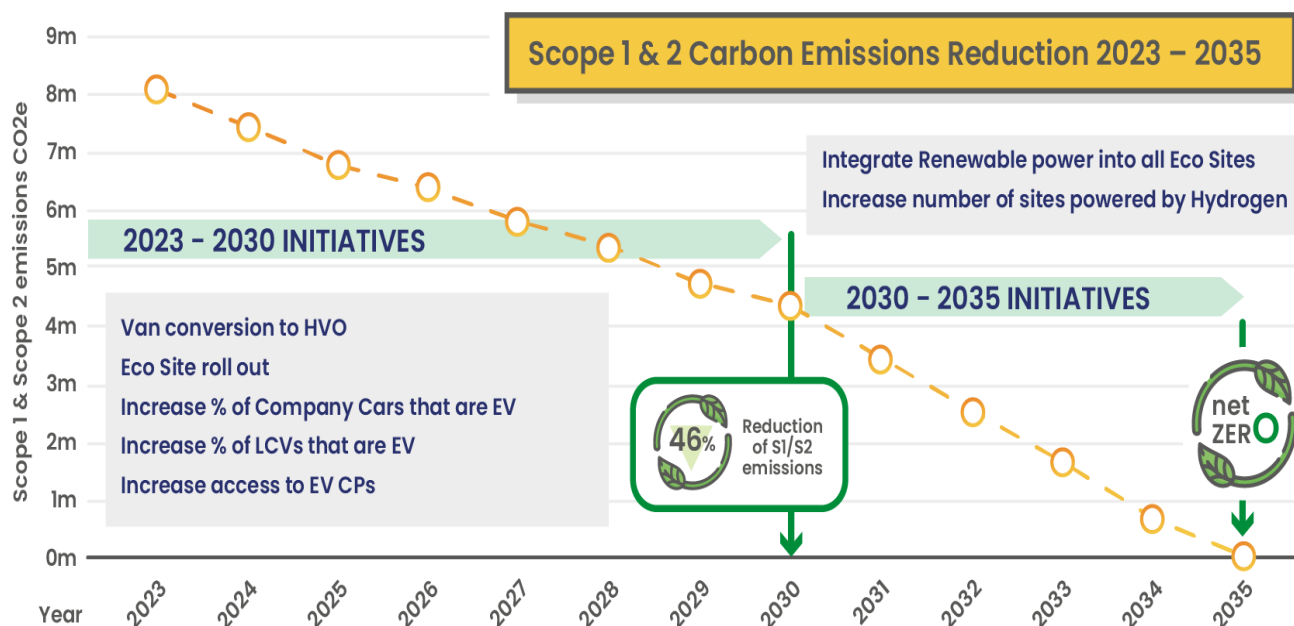
It also includes eight Scope 3 emissions required by PPN6/21 based on data available at the time (PPN stands for procurement policy note which is the name of the requirements set by Government). The Scope 3 emissions reported in the baseline are:

- Purchased goods and services
- Capital goods (included within Purchased goods and services)
- Fuel and energy related activities
- Waste generated in operations
- Business travel in vehicles not owned or operated by AmcoGiffen.
- Employee Commuting
- Upstream transportation & distribution emissions have been included in the purchased goods and services (PGS) category, as it is not possible to separate out the emissions relating to inbound transportation and distribution between AmcoGiffen and its suppliers from PGS, due to the holistic method that spend-based analyses take.
- Upstream leased assets have been included as part of our calculation of Scope 1 & 2 emissions due to the fact that we have used the operational control approach for determining our organisational boundaries.

4.0 Emissions Reduction Targets

To continue our progress and achieve Net Zero by 2040, and in support of our commitment to the SBTi we commit to reducing carbon emissions over a ten-year term from a 2019/2020 baseline. This equates to 4.2% per annum for Scope 1 and 2 and 5.2% per annum for Scope 3.

AMCO·GIFFEN Carbon Reduction Plan



The above graphic illustrates our Scope 1 and Scope 2 carbon emission reduction glidepath between FY2023 to FY2035. Although the 46% reduction figure quoted within the graphic appears to contradict our SBTi validated near-term targets, we have adjusted the required reduction target to take into account the increase in our Scope 1 emissions realised between 2021-2022 and 2022-2023, as explained in the commentary in Section 3.0. We felt this adjustment was necessary to ensure we maintain our commitment and focus on reaching our Scope 1 and Scope 2 SBTi target by 2030.

By reinstating our commitment in using HVO as a short-term sustainable alternative to diesel we are again seeing a significant fall in our emissions for this new FY when compared to the same period last FY. We will continue to closely monitor HVO use within the industry and are cognisant of recent guidance, namely the publication of *Responsible Sourcing of HVO* released by the Supply Chain Sustainability School in June 2024.

5.0 Completed Carbon Reduction Initiatives

The following environmental management measures and projects have been implemented since our 2019/2020 baseline and represent our most recent initiatives:

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. In April 2024 we received formal validation from SBTi against our carbon emission targets, which recognise that:

Amalgamated Construction Ltd commits to reduce absolute Scope 1 and Scope 2 GHG emissions by 42% by FY2030 from a FY2020 base year. The target boundary includes operational and construction service delivery emissions and removals from bioenergy feedstocks (HVO); and

Amalgamated Construction Ltd commit to reduce Scope 3 GHG emissions by 51.6% per £1 million of value added (sales revenue minus cost of goods and services purchased from external suppliers) by FY2030 from a FY2020 base year.

Our Scope 3 target boundary includes 8 out of 15 categories (Cat 1, 2, 3, 4, 5, 6, 7 and 8).

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Green Electricity Tariff: In late 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.

Mandated Eco Sites Roll Out: From April 2024 all Amalgamated Construction Ltd project sites are required to follow a prescribed eco site set-up. This mandates the use of HVO fuel to power site-based plant and equipment and to couple Battery Storage Unit (BSU) technology alongside generators to reduce and ultimately eliminate the generation of GHG emissions from fossil fuels.

Switch from diesel to HVO fuel: In line with the Construction Leadership Council's diesel free commitment, AmcoGiffen are also seeking to eliminate diesel use across our operational sites and from our fleet vehicles. We are using HVO as a direct substitute, recognising that this option is a short-term approach and relies on verifiable and transparent certification to give assurance that the HVO supply is truly sustainable.

6.0 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: Recognising the need to accurately measure our carbon emissions to allow us to target carbon reduction areas and to provide certainty that our reporting is a true account of our GHG emissions, AmcoGiffen is developing a software-based carbon data capture system for collating, calculating and reporting purposes.

Carbon Insight Groups: We currently participate in several industry carbon focussed working groups, which includes Chairing the *Fossil Fuel Free Construction Sites Working Group*, *Rail Industry Sustainability Forum*, *Hydrogen Working Group* and as an active partner of the Supply Chain Sustainability School. Membership of such groups allows AmcoGiffen to stay informed and up to date with the carbon agenda, initiatives and opportunities to eliminate carbon emissions.

Hydrogen Trials: In collaboration with one of our strategic supply chain partners and their Hydrogen Working Group, we are actively looking to trial the use of hydrogen power on an operational site to assess the viability and effectiveness of a hydrogen power solution and whether we can be an early adopter of hydrogen technology within the construction industry.

PAS2080:2023 certified Carbon Management System (CMS): PAS2080 *Carbon management in buildings and infrastructure* is the globally recognised Standard for managing whole-life carbon throughout a project lifecycle. We have set a target to achieve PAS2080 by FY2026 to demonstrate our leadership and internal process for reducing whole life carbon.

ISO 14064 certification: As part of our data monitoring and reporting initiative, AmcoGiffen aims to achieve the globally recognised ISO Standard 14064 by FY2026. This will demonstrate, by independent verification, that the internal quantification of AmcoGiffen's GHG emissions is compliant with industry's best practices, Standards and Protocols.

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Eco Sites Roll-out: We have set a target of all project sites (100%) to be compliant with our eco site standard by FY2025.

Decarbonising our Fleet: Carbon emissions from our fleet currently accounts for 42% (FY2023) of Scope 1 emissions. Due to the geographical regions AmcoGiffen operate within and distances travelled, we are currently unable to switch completely to electric vehicles. AmcoGiffen have therefore committed to switching a proportion of fleet vehicles from diesel to HVO and from diesel to EV over the next seven-year period. We have set targets that will significantly decarbonise our fleet by 2030; with 80% of fleet vehicles using HVO fuel and 20% powered by electric.

Scope 3 emissions reporting: To further enhance the collection of Scope 3 emissions we are exploring options for having dedicated Procurement located support for managing and improving Scope 3 emissions data accuracy. We are establishing which of our strategic suppliers have Environmental Product Declaration (EPD) data sets and will collate evidence to provide credible embodied carbon data within our Scope 3 categories. For our remaining supply chain partners without EPDs, we are encouraging them to use the Supply Chain Sustainability School Carbon Tool for apportioning their carbon emissions to us.

7.0 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 greenhouse 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 (Streamlined 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:



John Booth, Managing Director

Date: 15/08/24

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>