

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 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.

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.



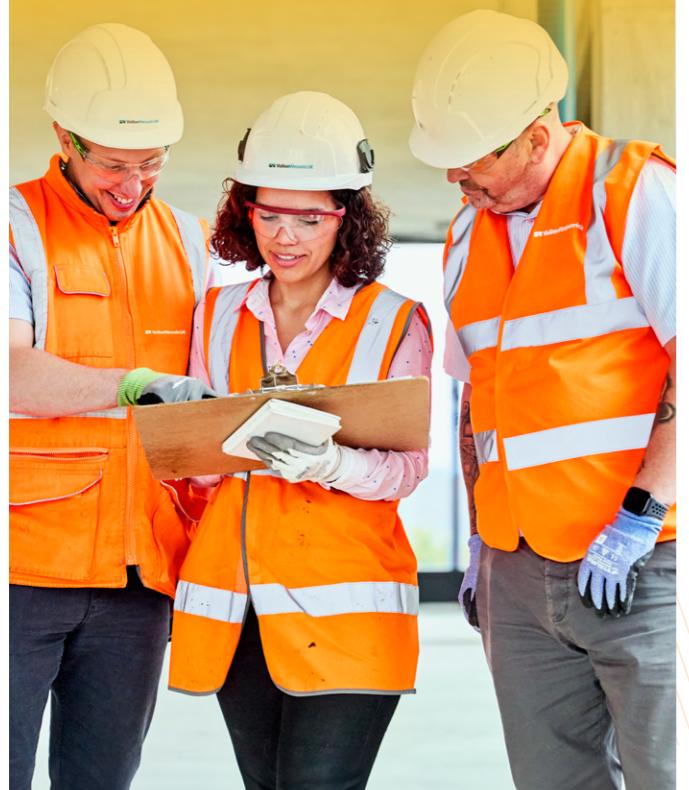
Richard Offord
CEO - VolkerWessels UK

OUR DRIVERS OF CHANGE

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 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.



2

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.

Avoid

Evaluate the basic need for the activity, task, product or material.

Switch

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

Improve

Identify and adopt solutions and techniques that improve the use of resources and design life of an asset.

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

3

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.



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 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.



OUR CARBON REDUCTION TARGET

Our carbon reduction targets have been validated by Science Based Target Initiative (SBTi), confirming that our reduction goals align with the science to limit global warming to 1.5°C above pre-industrial levels.

We have the following targets:

- **Net-Zero** - We commit to achieve Net-Zero greenhouse gas emissions across the value chain by 2050
- **Near-term** - We commit to reduce absolute Scope 1 and 2 greenhouse gas emissions by 63.29%¹, and Scope 3 emissions from purchased goods and services by 37.5% by 2035 from a 2023 baseline.
- **Long-term** - We commit to reduce absolute Scope 1 and 2 greenhouse gas emissions by 90%, and Scope 3 emissions from purchased goods and services by 90% by 2050 from a 2023 baseline.

The data used to demonstrate progress towards our target will be externally verified through our Planet Mark certification, to ensure credibility and transparency.



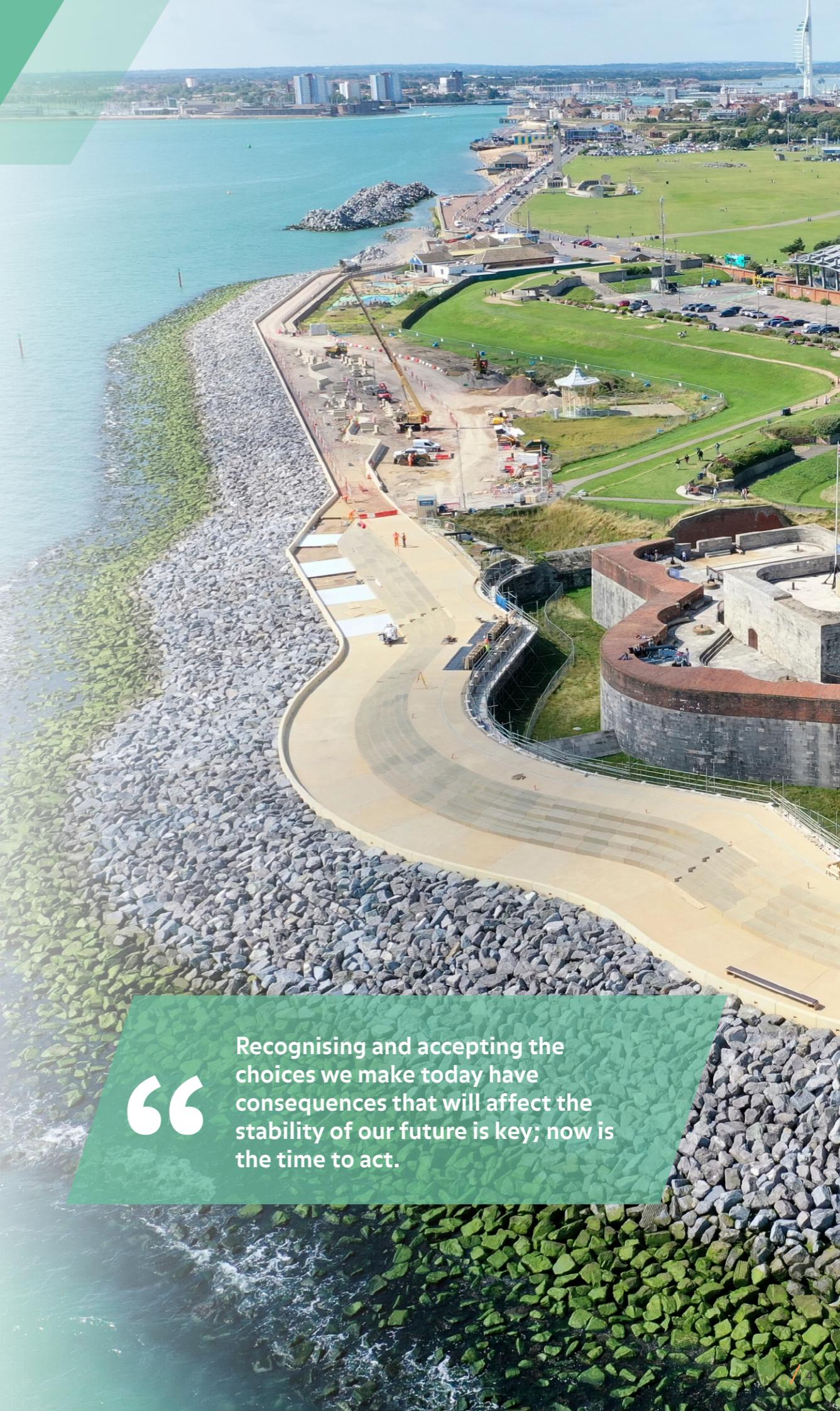
To support us achieving these emission reductions, we have set emission source specific targets, which can be found later in this document.

Notably, we 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 so we will work with clients, designers, supply chain and procurement teams to promote sustainable selection of materials to stimulate a downward trend in emissions ahead of our 2050 Net Zero carbon pledge.

Footnotes

¹ 'Net Zero Carbon' 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 quality control.

² The target boundary includes land-related emissions and removals from biogenic feedstocks.



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TIMELINE

2024	2025	2027	2030	2035	2040	2050
Sustainable travel and accommodation plan developed and implemented	All projects above £1m will have a carbon target and report on their progress	95% of company cars will be fully electric or hybrid	All subcontractors providing emissions data for materials/ products they procure on our behalf	63% reduction in scope 1, 2 and 3 emissions	100% of orders for heavy goods vehicles >7.5t will be hybrid, EV, or alternatively fuelled	VolkerWessels UK achieve Net Zero across all activities
Materials decarbonisation plan developed and implemented			100% of sites powered using renewable electricity or alternative fuels	100% of company car (LEX) orders will be zero emission vehicles	80% of asphalt procured or specified will be low carbon	All subcontractors to be Net Zero Carbon* <small>*small and micro contractors ($\leq £10m$) to be carbon neutral</small>
Plant and tools decarbonisation plan developed and implemented			70% of new vans ordered will be zero emission	100% of new vans ordered will be zero emission	Eliminate all but hazardous construction and demolition waste entering landfill	100% of concrete procured or specified will be Net Zero
95% of sites powered using renewable electricity or alternative fuels			50% of concrete procured or specified will be low carbon	100% of light goods vehicles (≤ 3.5 tonnes) orders will be hybrid, EV, or alternatively fuelled	30% of aggregates procured or specified will be recycled or secondary aggregates	100% of steel procured or specified will be Net Zero
Our top 50 subcontractors providing emissions data for materials / products they procure on our behalf	PAS 2080 verification complete		50% of steel procured or specified will be low carbon	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
				80% of diesel plant will be eliminated		Zero avoidable waste to landfill
						100% of plant will be zero emissions



RESPONSIBILITY AND ACCOUNTABILITY

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 sustainability@volkerwessels.co.uk or visit our website volkerwessels.co.uk



APPENDIX A

VolkerHighways Carbon Reduction Plan – in accordance with requirements of PPN 006

Commitment to achieving Net Zero

VolkerHighways is committed to achieving Net Zero by 2050.

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: 2019	
Additional details relating to the Baseline Emissions calculations	
The following emissions sources have been included in Scope 3 – waste generated in operations, business travel, employee commuting and downstream transportation and distribution.	
Emissions from 'Upstream transportation and distribution' have been excluded due to non-availability of data.	
Emissions	Total tCO ₂ e
Scope 1	1,873
Scope 2	112
Scope 3	903
Total emissions	2,888

Current Emissions Reporting

Reporting Year: 2024	
The following emissions sources have been included in Scope 3 – waste generated in operations, business travel, employee commuting and downstream transportation and distribution.	
Emissions from 'Upstream transportation and distribution' have been excluded due to non-availability of data.	
Emissions	Total tCO ₂ e
Scope 1	1,867
Scope 2	23
Scope 3	568
Total emissions	2,458

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.

Carbon Reduction Projects

Completed Carbon Reduction Projects

The following environmental management measures and projects have been completed or implemented since the 2019 baseline. The carbon emission reductions achieved by these schemes equates to 430 tonnes CO₂e, a 14% reduction against the 2019 baseline and the measures will continue to be in effect when performing the contract.

VolkerHighways is certified to ISO 14001 and have the following initiatives in place relating to Scope 1, 2 and 3 emissions:

Scope 1 Carbon Reduction Projects

- We have a longstanding relationship with Lex Autolease, who assist employees in choosing the most sustainably fuelled vehicle based on their individual circumstances and requirements. In 2024, VolkerHighways had 103 company cars, 91 of which are either hybrid or fully electric vehicles, representing 83% of the total fleet. This compares to 2 in 2019, 10 in 2020, 31 in 2021 and 59 in 2022.
- There are 7 new vehicles on order at the end of 2024 for delivery in 2025, 7 of which are either hybrid or fully electric, representing 100% of the vehicles on order.
- VolkerHighways currently have 157 commercial vehicles on its fleet, 17 of which are electric, representing 11% of the total fleet. This compares to 14 in 2021, 18 in 2022 and 19 in 2023.
- We are committed to reducing our fuel consumption by 10% across the business.
- We will be introducing HVO fuel into the business by quarter three of this 2025.
- We are working with JCB on trialling one of their hydrogen fuelled vehicles to test its operational effectiveness and suitability to the work activities that we undertake.
- We are working with Somerset CC on their Fleet Decarbonisation strategy to look at alternative fuels including hydrogen, biomethane and bioethanol with the aim of supporting them in their work around creating a sustainable fuel network in the south-west.
- In addition to this we are keeping under review alternative fuel use opportunities (such as access to Hydrogen fuel from the new Hydrogen Depot that Oxfordshire County Council have been developing).

Scope 2 Carbon Reduction Projects

- VolkerHighways utilises the services of an energy broker to procure 100% REGO certified renewable energy for offices and large sites / projects with a mains energy feed.
- We are actively promoting self-sustaining depot set ups that reduce energy dependency from the grid and utilise energy from on-site renewable sources. We continue to review the cost benefits of these set ups in bids.
- This is based on the works completed on our BANES contract where we have worked closely with our client to develop energy efficient accommodation with solar panel energy production.

Scope 3 Carbon Reduction Projects

- We continue to liaise with our materials suppliers on the production of low carbon products.
- We research the bespoke effectiveness of best practices on our contracts (such as Asphalt Rejuvenation and Thermal Patching), where the carbon savings can be verified by third parties.
- We have developed Sustainable Travel Plans for all our depots and offices and will continue to review them to ensure maximum effectiveness of sustainable travel.
- We continue to engage with organisations that operate in circular economies with our waste materials for the benefit of the production and purchase of new low carbon products.

Future Carbon Reduction Initiatives

In 2023 we published our refreshed Carbon Reduction Strategy to support the delivery of our People-Planet-Purpose sustainability framework. 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.

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

To support this, VolkerWessels UK is a signatory of the Science Based Targets Initiative 'Business Ambition for 1.5C', confirming that we have committed to set a science-based target that is in line with a 1.5C future.

We are working towards independent verification to PAS2080 by the end of 2025 - the framework for carbon management in building and infrastructure projects, aiming to reduce greenhouse gas emissions and drive sustainable practices in the construction industry.

Our key drivers for change are:

- **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 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 involves collaboration internally from our operational and procurement 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 IEMA GHG Management Hierarchy of elimination, reduction, substitution and compensation.

- **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.

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.

DECLARATION AND SIGN OFF

This Carbon Reduction Plan has been completed in accordance with PPN 006 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:



Peter Walsh, Managing Director

Date:

30 June 2025



