NEILCOTT CONSTRUCTION LTD

Carbon Reduction Plan

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CARBON REDUCTION PLAN

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1.0 Commitment to Achieving Net Zero

Neilcott Construction Ltd is committed to achieving Net Zero Carbon for Scope 1 & 2 emissions by 2030 and by 2050 for Scope 3 emissions.

Our Carbon Reduction Plan is based on emissions within our operational boundary using a financial control methodology & will continue to be published annually, reporting data using an intensity ratio of tonnes of carbon dioxide equivalent (tCO_2e) per £1 million of turnover.

The Carbon Reduction Plan (CRP) aligns to Procurement Policy Note (PPN) 06/21 which sets out how suppliers' CRPs and commitment to Net Zero are taken into account for procurement activity on Government contracts. The reporting adheres to the Greenhouse Gas Protocol's Corporate Accounting and Reporting Standard and is conducted to a reasonable level of assurance using DESNZ and DEFRA published emissions factors.

2.0 Baseline Emissions Footprint – 2021

Baseline Year: 2021	
Additional Details relating to the Baseline Emissions calculations.	
Baseline emissions are a record of the greenhouse gases that have been produced in the past and prior to the introduction of any strategies to reduce emissions, providing the reference point against which emissions reduction can be measured. For the purposes of reporting we used available data for 2021 as our baseline, making reasonable assumptions where data was not available. Following the identification of errors in the first draft of the 2021 baseline, a recalculation was made in line with our Base-Year Review & Recalculation Policy for the 2023-24 CRP, with the revised data shown below.	
Baseline year emissions:	
Scope 1	**TOTAL 227.59 tCO_2e** Comprising: Gas Consumption 4.38 tCO_2e Site Fuel 167.79 tCO_2e Transport 55.42 tCO_2e
Scope 2	**TOTAL 93.83 tCO_2e** Comprising: Office Consumption 2.34 tCO_2e Site Consumption 91.49 tCO_2e
Scope 3	**TOTAL 1,057.49 tCO_2e** Comprising: Category 4. Upstream transportation and distribution 92.79 tCO_2e Category 5. Waste generated in operations 27.70 tCO_2e Category 6. Business Travel 195.00 tCO_2e Category 7. Employee Commuting 585.00 tCO_2e Category 8. Upstream leased assets 157.00 tCO_2e
Total Emissions	**1,378.91 tCO_2e**
Intensity Ratio	**14.30 tCO_2e per £million turnover**

3.0 Current Emissions Reporting - 2024

Changes since the baseline year:

Scope 1 & 2 emissions data for office locations and construction sites has been collected since 2022, with improved accuracy of data gathering and analysis through support from external resources, in house processes and technology for the 2024 dataset.

Since the 2021 baseline year, we have expanded our business area by establishing two new office locations - a specialist Fit Out office based in central London in June 2022 and a new regional office in Hemel Hempstead in May 2023. This expansion has resulted in an increase in our turnover for 2022 and 2023 over the 2021 baseline year, however, there has been a marginal reduction in turnover for 2024, relative to 2023. Turnover for 2024 currently sits at 38.4% higher than the 2021 baseline. Energy consumption related to our serviced offices are not within our financial control; therefore emissions are included within Scope 3.

Assumptions, clarifications and source of data:

Scope 1: Supplier invoices for office gas, fleet (Allstar) and construction site fuel (diesel & HVO)
Scope 2: Supplier invoices for office electricity, EV fleet (Allstar) and construction site electricity
Scope 3, Category 3. Fuel & Energy: Transmission & Distribution losses associated with electricity
Scope 3, Category 4. Upstream transportation and distribution: Estimate based on CDP construction sector data technical guidance (version 3.0 dated June 28, 2024) calculated as 7.21% of total emissions, due to lack of data.
Scope 3, Category 5. Waste generated in operations: Actual waste generated at Orpington office and construction sites.
Scope 3, Category 6. Business Travel: Business travel in employee-owned vehicles using travel survey data, fuel card data and grey fleet expense data. Rail and taxi journeys using expenses and company credit card records with DEFRA SIC 2022 multiplier GHG cost conversion factors (current version).
Scope 3, Category 7. Employee Commuting: Employee commuting in employer and employee owned vehicles, using travel survey data and fuel card data. Schedule of employees working from home along with days per week data and DESNZ emissions factors to determine working from home emissions.
Scope 3, Category 8. Upstream leased assets: Floor areas related to Kylna Business Centre in Hemel Hempstead and Appold St in London serviced offices, along with CIBSE benchmarks to estimate energy use. Electricity use reported on construction sites outside of Neilcotts financial control, covers cabins and equipment.

Emissions factors obtained from:

- DESNZ UK Government GHG Conversion Factors for Company Reporting Full Set.
- DEFRA Conversion_factors_kgCO2_per___spent__by_SIC_code.

In the current reporting period, we have utilised $kgCO_2$ per spend by SIC code DEFRA conversion factors for Scope 3, due to the lack of specific journey data on public transport.

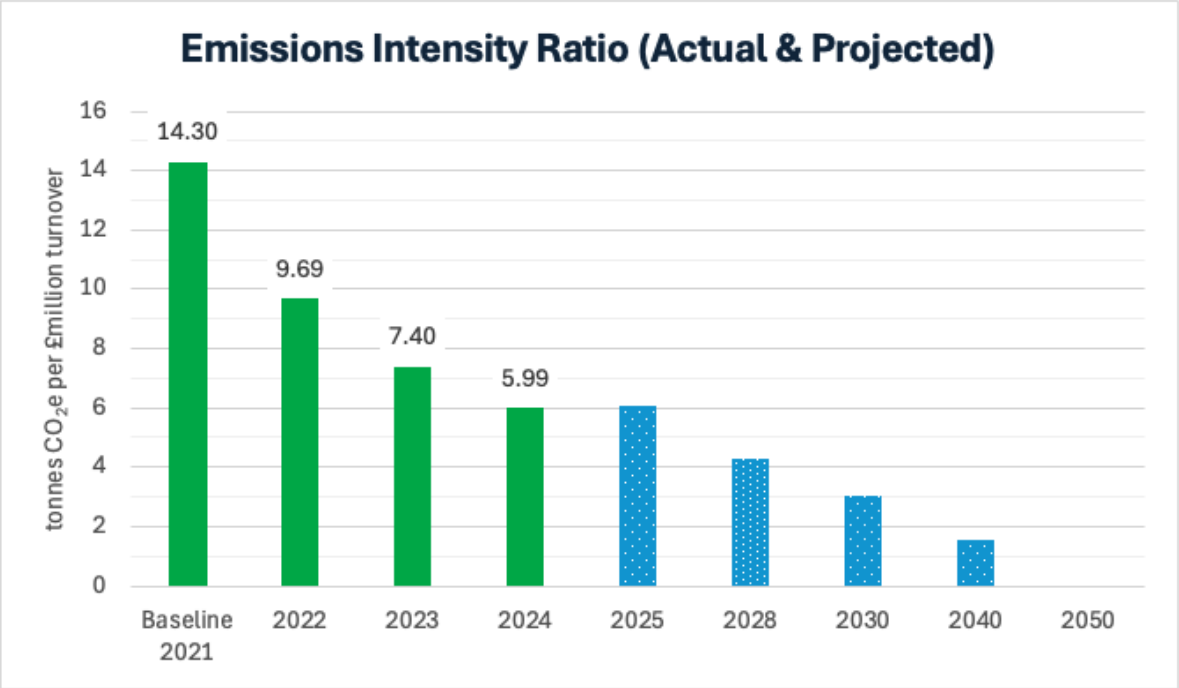
Current Reporting Year: 2024	
Scope 1	**TOTAL 239.58 tCO_2e** Comprising: Gas Consumption 4.69 tCO_2e Site Fuel 198.58 tCO_2e Transport 36.31 tCO_2e
Scope 2	**TOTAL 57.73 tCO_2e** Comprising: Office Consumption 25.15 tCO_2e Site Consumption 32.42 tCO_2e EV Fleet Consumption 0.16 tCO_2e
Scope 3	**TOTAL 501.74 tCO_2e** Comprising: Category 3. Fuel & Energy 5.10 tCO_2e Category 4. Upstream transportation and distribution 53.74 tCO_2e Category 5. Waste generated in operations 2.77 tCO_2e Category 6. Business Travel 115.36 tCO_2e Category 7. Employee Commuting 272.71 tCO_2e Category 8. Upstream leased assets 52.06 tCO_2e
Total Emissions	**799.05 tCO_2e**
Intensity Ratio	**5.99 tCO_2e per £million turnover**

4.0 Summary Data

The table and charts below outline our emissions and performance from 2021 to date. Data for 2024 is showing a significant reduction in absolute emissions, as well as an improvement in our intensity ratio of tonnes CO_2e/£million turnover.

	Baseline 2021	2022	2023	2024	2024 Variance to baseline
Scope 1	227.59	255.00	317.94	239.58	
Scope 2	93.83	91.00	132.50	57.73	
Scope 3	1,057.49	626.39	577.71	501.74	
Total Emissions	**1,378.91**	**972.39**	**1,028.15**	**799.05**	**42.1% reduction**
Turnover, £	96,428,076	100,305,898	138,880,690	133,420,077	**38.4% increase**
Intensity Ratio tCO_2e/£million	14.30	9.69	7.40	5.99	**58.1% reduction**

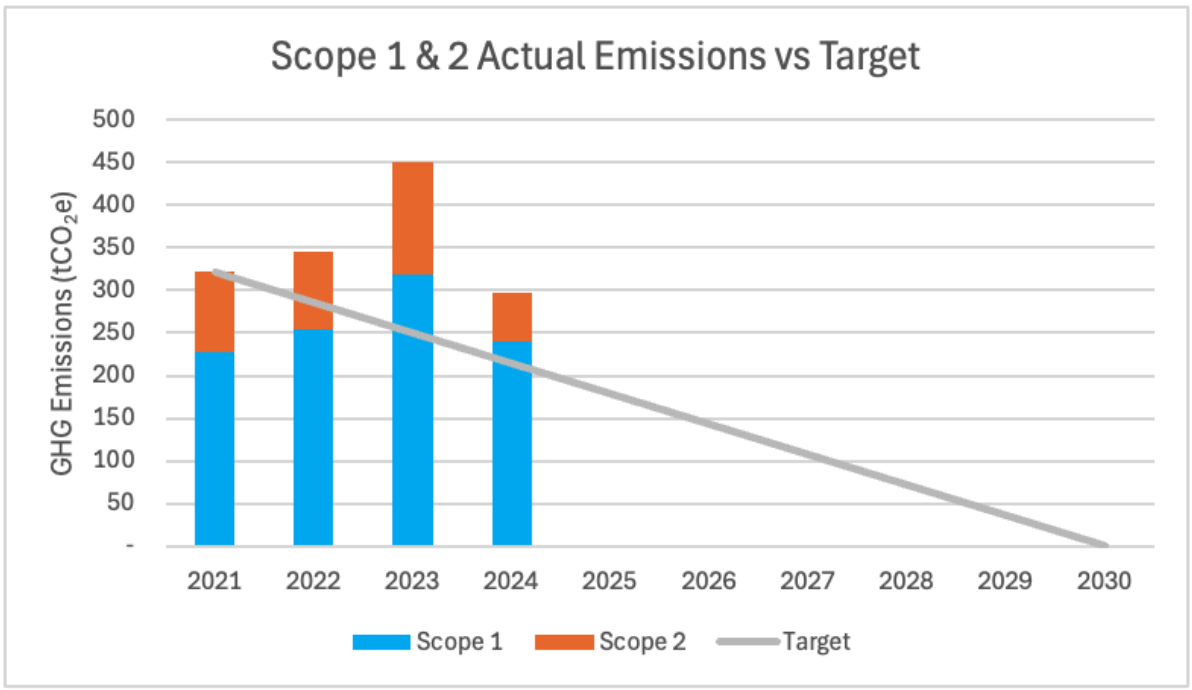
The chart below outlines our intensity ration relative to target.

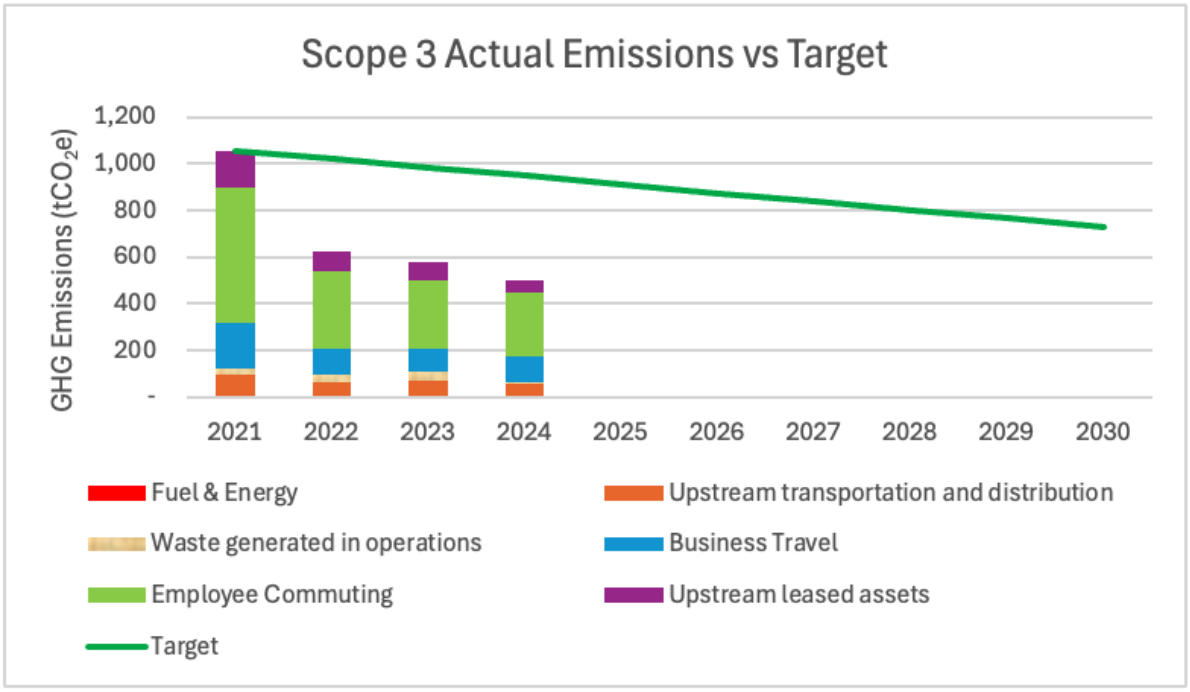


5.0 Emissions Reduction Targets

Our Net Zero Carbon target dates are 2030 for Scope 1 & 2 emissions and 2050 for Scope 3. Target dates have been decoupled to reflect the complexity of identifying, quantifying and addressing Scope 3 data across our supply chain. To ensure progress to achieving Net Zero, we have focused primarily on Scope 1 & 2 emissions and are implementing systems to expand our recording and reporting of Scope 3 across our supply chain, alongside measures to increase awareness of shared decarbonisation objectives and how these can be achieved.

Progress against our 2030 and 2050 targets can be seen in the following graphs:





Building on previous actions, a raft of initiatives have been implemented during 2024 that have had a measurable impact on accelerating our emissions reduction programme, particularly Scope 1 & 2 emissions reductions from our head office decarbonisation works and implementation of new systems to allow simpler data capture and greater visibility of emissions 'hot spots' on sites. Going into 2026, primary emissions reduction initiatives include exploring on-site renewable energy generation, lower emission site cabin selection and a company-wide carbon literacy and waste reduction programme. To address our Scope 3 emissions, the roll-out of our EV salary sacrifice scheme will start to impact key contributors, such as employee commuting and business travel, which accounts for 77% of our total Scope 3 emissions.

Our carbon reduction actions will reduce emissions reductions across our business and value chain as far as possible through sustained behavioural change and implementation of new technologies. However, in order to achieve Net Zero Carbon, some emissions that cannot be removed, replaced or reduced may need to be offset. Where this is necessary, it will be only undertaken through approved, high-quality projects located in the UK that simultaneously generate social and biodiversity benefits for local communities.

As an organisation, we are also reviewing the implementation of PAS 2080, which specifies the requirements for the management of whole-life carbon in buildings and infrastructure. Implementing PAS 2080 at Neilcott could lower project emissions and enhance tender competitiveness, as it provides a holistic approach on carbon management, reducing costs, fostering industry leadership, and adapting to a low-carbon future.

6.0 Carbon Reduction Projects

Several measures to reduce our carbon footprint were already in place prior to our baseline year of 2021, including replacement of lighting with low energy systems in our head office. Accelerated by COVID, we also optimised the use of video conferencing to eliminate unnecessary travel and maximise business efficiency.

Completed Carbon Reduction Initiatives

The following environmental management measures and carbon reduction projects have been implemented since the 2021 baseline. We have:

1. Added dedicated sustainability resource to drive and implement energy/carbon saving and biodiversity initiatives across our operations and within our projects.
2. Completed a head office refurbishment project which will improve thermal performance of the building through addition of roof insulation (48% improvement from u value 0.33 to 0.1), new curtain walling and windows (60% improvement from u-value of 2.5 to 1.0). Natural lighting and control systems have also been improved, along with heating and ventilation enhancements. These measures will reduce energy demand and improve employee wellbeing. Completion during 2024 will see measures taking effect from 2025 onwards.
3. Installed 58kWp of PV panels on the head office roof to generate energy on-site for export to the grid, reducing our emissions for 2025 onwards.
4. Investment in electric vehicle charging infrastructure, with installation of 2 points at our head office during 2025.
5. Reviewed company van, car and car allowance policies to encourage adoption of lower and zero emission vehicles. This includes trialling a new salary sacrifice electric car leasing scheme to encourage employees to switch to greener transport options and reduce our fuel card emissions. This has been rolled out across the business from Q4 2024 onwards.
6. Virtualisation of our server estate which will reduce our overall power consumption - ongoing.

7. Adopted new technologies that drive resource efficiency, low carbon product selection and enable faster data collection including SustainIQ, Procore, Payapps, Supplyo and 1Breadcrumb.
8. Agile working and greater emphasis on considering employee location when allocating staff to projects, also supporting improved wellbeing through reduced travel time. Similarly, local supply chain is targeted to provide best value and support social value initiatives.
9. Formed links between organisations, sites and suppliers to support a circular economy by reusing existing materials and reducing waste e.g. Excess Materials Exchange, Community Wood Recycling.
10. Introduced waste segregation within our offices to improve recycling rates and reduce overall waste.
11. Adopt low and zero carbon energy tariffs both at our offices and on sites where we have control of energy procurement.
12. Increased the adoption of MMC to minimise transportation emissions and limit site waste.
13. Reviewed and where possible updated our site accommodation within normal renewal cycles to improved environmental performance (insulation standards, low energy lighting, PIR systems etc).
14. Encouraged the use of public transport, lift-sharing and cycle to work schemes for staff.
15. We are certified to ISO14001 and have liaised with our network of suppliers to adopt ambitious carbon reduction targets in line with the protocol.
16. Introduce a new electronic supply chain management platform which allows us to ask specific questions about their carbon & sustainability performance credentials.
17. Introduced the use of renewable diesel / Hydrotreated Vegetable Oil (HVO) for plant across our sites.
18. Optimised heating, ventilation and air conditioning systems in site offices to reduce energy consumption.
19. Roll out of bespoke project waste forecasting tool to enable more accurate waste minimisation strategies.
20. Enhanced sustainability start-up measures & reporting o improve our data quality & maximise application of new initiatives.

Future Carbon Reduction Initiatives

Going into 2026, we will adopt measures and monitor KPIs outlined within our Sustainability Strategy. This was updated in 2024 and will be reviewed on an annual basis and updated every 3-5 years.

We have targeted the following future initiatives to drive down emissions:

1. Continued roll out of our carbon literacy programme to raise awareness and education across the business – creating a culture of sustainability & responsible energy/resource usage. This will cover office and on-site energy saving measures, supported by targeted information and awareness campaigns e.g. fuel-efficient driving, energy switch off.
2. Continue our company-wide waste review to identify and implement waste reduction strategies including circular economy principles to maximise reuse, recycling and waste reduction of 40% overall waste reduction by 2030.
3. Implementation of our new SharePoint intranet to raise awareness & accessibility of sustainability initiatives including our ‘Circularity Hub’ to promote reuse of materials.
4. Review potential wider roll out of electric equipment/plant on suitable sites, following successful trial on one of our sites in 2025 and increased collaboration with Ardent for telehandler hire, to track driver efficiency, fuel usage and carbon emissions.
5. Explore possibilities for on-site energy generation.
6. Taking account of normal replacement cycles, begin to transition the company fleet to EV or hybrid vehicles.

7. Work with our supply chain to reduce their carbon emissions & encouraging upskilling e.g. through the Supply Chain Sustainability School.
8. Continue to review the company travel policy and explore the potential of a Green Bonus initiative in connection with cycle to work schemes.
9. Explore ways to collaborate with our suppliers to improve and expand our Scope 3 data collection processes, design innovative solutions and make low-carbon materials more economical/readily available.
10. Expand our Scope 3 data collection capability with implementation of new systems to record Category 4: Upstream transportation & distribution and Category 1: Purchased goods & services.

7.0 Declaration and Sign Off

This Carbon Reduction Plan has been completed in accordance with PPN 06/21 and associated guidance and reporting standards for Carbon Reduction Plans.

Emissions have been reported and recorded in accordance with the published reporting standard for the GHG Reporting Protocol corporate standard and uses the appropriate Government emission conversion factors for greenhouse gas company reporting. In addition, Scope 3 emissions have been reported in accordance with the published reporting standard for Carbon Reduction Plans and the Corporate Value Chain (Scope 3) Standard.

This Carbon Reduction Plan has been reviewed and signed off by:

David Huxley, Managing Director

6th October 2025

Neilcott Construction Ltd
Excel House, Cray Avenue
Orpington, Kent BR5 3ST

www.neilcott.co.uk