McPHILLIPS

CARBON REDUCTION PLAN

Commitment to achieving Net Zero

McPhillips is committed to achieving Net Zero emissions 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: October 2018 – September 2019

Additional Details relating to the Baseline Emissions calculations.

McPhillips are to utilise the financial year October 2018 to September 2019 as its baseline carbon reporting year.

The baseline figures are organised into Scope 1 Emissions; emissions directly from operations that are owned or controlled by McPhillips. Scope 2 Emissions which are indirect emissions from the generation of purchased or acquired electricity, steam, heating or cooling of McPhillips, for example utility usage.

Baseline year Emissions:

McPhillips generated Carbon information through an Energy Savings Opportunity Share Report & Recommendations in compliance with BS16247 provided in November 2019. Currently no historical Scope 3 data is available. We have engaged with a carbon accountancy company to calculate a new baseline and take into account historical scope 3 emissions. We are on track to have this in place by the end of August 2025.

Emissions	Total (tCO_2e)
Scope 1	3,371
Scope 2	55
Scope 3	–
Total Emissions	**3,426**

Current Emissions Reporting Year:

October 2023 – September 2024

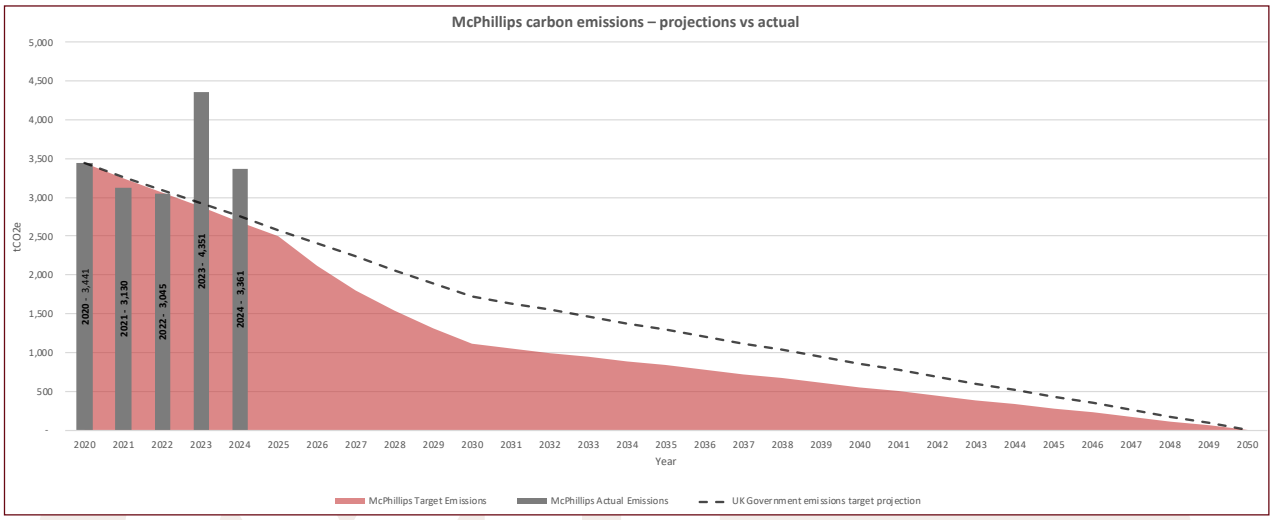
Emissions	Total (tCO_2e)
Scope 1	2,647
Scope 2	53
Scope 3	661
Total Emissions	**3,361**

McPhillips (Wellington) Ltd,
Horton House, Hortonwood 50, Telford,
Shropshire TF1 7FG
Tel: 01952 670440
Email: mcphillips@mcphillips.co.uk
www.mcphillips.co.uk

Emissions reductions targets

In order to continue our progress to achieving Net Zero, McPhillips have adopted the following ambitious carbon reduction targets.

We project that carbon emissions will decrease to circa 2500 tCO2e by 2025. This is a reduction of an estimated 16% - ahead of our Net Zero Carbon target of 2050. The business will remain committed to 5 yearly reductions of 15% going forward.



Carbon Reduction Projects

Completed Carbon Reduction Initiatives

The following environmental management measures and projects have been completed or implemented since the 2019 baseline. The carbon emission reduction achieved by these schemes equate to 203.58 tCO2e.

Historic and complete Carbon Reduction Measures

ISO14001 Environmental Management system

Since 2000, McPhillips has adopted and worked within a UKAS accredited ISO14001 Environmental Management System to enable assessment and operation of the Company's environmental requirements. This system promotes professional management which has benefits for CO_2 reduction.

Carbon & Sustainable Development Policy

We take a pragmatic approach to reviewing our Carbon and Sustainable Development Policy, initially developed in line with the national targets set in the UK Climate Change Act 2008, to reduce the UK's carbon footprint by 80% from 1990 levels, by 2050. As such, reduction of greenhouse gases (GHGs) at source has become the focus of our company sustainability strategy, facilitated through the monitoring of carbon emissions resulting from: employee business travel, commercial vehicles, and plant fuel and office energy usage. Furthermore, we have worked with our clients and associate supply chain to reduce their energy use and emission output.

Material Sourcing Policy

We work in line with our Purchasing Policy to increase the procurement of sustainably produced construction materials with associated reduce embodied carbon in the construction lifestyle. This is achieved through continual use of 'The Green Guide Specification' to reference materials with: high

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recycled content, low-carbon odours, non-toxic, low global warming potential refrigerants and low-carbon concrete mixes. We operate a company-wide programme to coordinate reuse of materials on other projects where the material is no longer required, thus reducing waste and further unessential purchasing. Timber products are procured from sustainable sources, with certificated of authenticity (i.e., FSC/PEFC), and we prioritise suppliers who have ISO 14001 environmental accreditation. Furthermore, we limit the buying of materials with high Volatile Organic Compounds (VOCs), such as flooring adhesive and glues, and ensure use of insulation with a Global Warming Potential of less than 5, where specification allows.

Site Won Material Re-use

In line with the CL:AIRE definition of waste Code of Practice, on viable projects where material is proven not to present a risk to human health or the environment, Site Waste Management Plans are implemented to maintain material on site. This will reduce offsite disposal and associated transportation as well as virgin material use and associated transportation.

Company Behavioral Changes

We have systematically adapted our company working attitudes and behaviour to allow for a more sustainable working pattern in line with reducing our energy usage as a company. These adjustments include;

- reducing our business travel, facilitated through virtual communication;
- flexible working, such as remote working from home, has been encouraged to increase business productivity whilst reducing emissions arising from commuting.

Company Vehicle Review

We have progressively undertaken an internal transport review in conjunction with the Energy Saving Trust, in order to assess where alternative fleet transport (hybrid and electric vehicles) can be effectively utilised to reduce our energy consumption, fossil fuel output and GHG emissions from business vehicles. Our company car scheme now includes exclusively hybrid and electric vehicles – new employees joining the company are eligible to join the scheme and existing employees are eligible to move to the scheme once their existing leases expire. Electric car charging points have been installed at our Head office to encourage hybrid and electric vehicle charging.

Construction site welfare arrangements

On our construction projects, we have ensured the hire of eco-cabins since 2016, for site offices, sub-contractor offices and welfare facilities, which allow for a CO_2 saving of 20-30% compared to normal construction cabins. This is facilitated through Passive Infrared Sensors (PIR) for lighting, heating with timers, fully insulted floors/ceilings/walls, double-glazed windows to reduce energy escape, non-concussive aerated taps to minimize water usage and waterless technologies where possible. During the very initial phases of a project, many site cabin set-ups are reliant on fuel generators due to the nature and/or location of many construction projects. We take great efforts to ensure these set-ups are established and connected to mains power as soon as possible, as this results in a lower carbon factor/input than diesel.

Sustainable Construction

Sustainability has remained at the forefront of our company values and ethos since our very beginnings and we continue to demonstrate an industry-leading and award-winning approach towards sustainable construction and to protecting the environment. We have vast experience in working to BREEAM and Passivhaus standards, to support the continual sustainable assessment and certification across the built environment lifecycle.

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Future Carbon Reduction Projects

McPhillips has realised carbon reduction benefits since the aforementioned base line year by undertaking the historic carbon reduction measures noted above. These will continue to be promoted, expanded, and driven forward, but to enable increased benefits at a faster rate of change, further actions are required as detailed below:

Carbon Offsetting

Further to energy efficient actions stated, we are developing strategies to offset our 'unavoidable' carbon expenditure in the principled UK approach. Measures we are trialling and considering include; tree planting, creation of wild flower beds and flower planters made from recycled timber pallets, introduction of pollinator species such as honeybees (beehive) on site to pollinate and diversify urban flora, ensuring bicycle storage on site to encourage cycling to work, as well as supporting the 'Cycle to Work Scheme'. We work in partnership with Shropshire Wildlife Trust on a number of projects.

We are also seeking a partnership approach with the Woodland Trust via their corporate industry management system.

Areas of Operation 'ReFocus'

The Company typically operates within a 60 mile radius of our Telford Head Office so minimise the distance our direct employees and sub-contractors travel and commute for business needs.

Labour and Material Sourcing

We endeavour to procure both labour and material resources as locally to each of our sites as possible, in accordance with the local pound multiplier effect. In 2020, 61% of all orders were placed within 30 miles of site with 84% falling within 50 miles. This figure has been adjusted so that our target going forward is to source 80% of labour and materials within 30 miles of a project by 2026. This helps to reduce our carbon impact by limiting scope 1 & 2 travel emissions.

Green Energy Procurement

Our offices are committed to sourcing electricity from green providers, generating electricity from 100% renewable energy by 2030. This will be achieved through responsible sourcing and preferred procurement with feasibility studies completed to ensure that any options considered give a sustainable long term carbon reduction.

Electric and Hybrid Vehicles

We have encouraged use of hybrid and electric vehicles and 40% of vehicles available through our corporate leasing scheme fit this profile.

Recycled material preference

In line with the CL:AIRE definition of waste Code of Practice and the WRAP protocol, viable site won material will be preferably reused following appropriate conversion and processing. This will further reduce offsite disposal and associated transportation as well as virgin material use and associated transportation. Recycled products which meet the design brief will further be a preferred option with an aim to increase this quantity on a case-by-case basis.

Enforcement of virtual meeting principles

Where collaboration and progress can be maintained through virtual meetings, we will encourage remote meetings, rather than physical attendance to limit fuel miles.

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Responsible material sourcing

We will source 100% steel and timber through responsible material supplies, compliant with FSC and PEFC timber regulations, Sustainability Charter to Gold Standard (BCSA). This will ensure sustainably sourced material will be utilised by our supply chain allowing replantation of trees and steel production in line with sustainable principles.

Sustainability Charter

The company operates an environmental policy that demonstrates and requires commitment to sustainability at all levels of the organisation. This policy has carbon reduction specific requirements and is available for all employees to aid carbon impact reduction both in and out of work.

Site Welfare Electric preference

A small number of isolated projects require the use of diesel generators to provide welfare provision, however it is our intention to reduce the number of diesel generator provided welfare to less than 10% of live projects by 2030, preferring mains connected supply to allow the benefits of collective energy production and supply where economically viable.

Carbon reduction training

We are committed to providing carbon reduction training to 100% of our employees by 2025. This will include internal training provided our in-house Environmental Team, and Carbon Literacy training that will be delivered by an external organisation in the interim.

Product re-purposing and recycling

We will continue to promote the reuse principle of common site items to prevent landfill and disposal. This will include reuse of items such as fire extinguishers (subject to testing) and fencing. In addition, with items such as stationery and office supplies, we it will be considered whether items times can be recycled in-house, or donated to local good causes.

Sustainability support guide

Our SHEQ department are committed to providing a sustainability support guide with specific carbon reduction measures including; low-carbon lunch, car share opportunities, material sharing, bitesize guides, appropriate app support, upcycle opportunities and volunteering opportunities. A digital guide will be distributed across the business to promote engagement and will be updated regularly via our website, intranet, newsletter and noticeboards.

Low Carbon Promotion dates in the low carbon calender including:

We will promote our carbon reduction targets and will promote significant dates in the low carbon calendar including 22nd April Earth Day, 5th August Cycle to Work Day and 6th June, Day After World Environment Day, Earth Overshoot Day and Zero Emissions Day.

Signed

Paul Inions
Managing Director
21st April 2025

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