



CARBON REDUCTION PLAN FOR MCPHILLIPS (WELLINGTON) LIMITED

Client: McPhillips (Wellington) Ltd

Date: 28/10/2025

Prepared for:

Prepared by:

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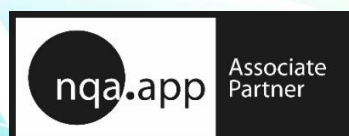


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Auditels Credentials – Verification Bodies



Foreword

McPhillips (Wellington) Ltd (McPhillips) recognises how important it is for us to make sure we are committed to reducing our carbon emissions and the impact we have on the environment in everything we do. This Carbon Reduction Plan (CRP) sets out how we will continue to improve the ways in which we use our resources to ensure the least harm to our environment.

Each year this grows in importance as our awareness is raised on the critical importance of changing our behaviours regarding climate change and sustainability. Legislation and regulation reflect this priority and we are committed to ensuring we meet our requirements and where possible exceed expectations.

Whether we are thinking of how to travel to work, what cup to drink from, how we design a new product, where we hold a meeting and the myriad of choices we make in our daily life, having carbon underpinning every choice we make and every action we take must be integral to us delivering our vision, mission, and strategic goals.

This year we have calculated our carbon footprint and the engagement with our staff has proved very useful in helping us to identify where we need to change our behaviour and how to do it. This has helped us to prioritise the key areas we want to focus on for the next year as outlined in the detailed action plan. We also recognise that many of the measures we plan to take to reduce our carbon footprint will also help us operate more efficiently, cut costs, and go some way to protecting us from the inevitable future increases to fuel and energy costs.



Using the information gathered and working with our dedicated staff, we will be able to set challenging targets and report our progress on the journey to Net Zero.

Introduction




This Carbon Reduction Plan conforms to the requirements of Procurement Policy Note PPN 006; "Taking Account of Carbon Reduction Plans in the procurement of major government contracts", PAS 2600:2014 "Specification for the demonstration of Carbon Neutrality" and ISO14064-1.

Context

Climate change is a real and immediate threat for us all. Carbon dioxide (CO₂) levels have already reached their highest level for almost half a million years and are rising faster than ever. Like all businesses, McPhillips has a key role to play in mitigating the effects of climate change, both as an employer and through the projects we build. McPhillip's direct energy consumption is high due to its reliance on fuel in vehicles, plant and equipment, and its indirect CO₂ emissions from business operations such as transportation and waste from operations are also significant. McPhillips's climate change challenge falls into:

-  Cutting the business's carbon footprint.
-  Preparing for the impacts of a changing climate.

Aside from the moral and environmental case for taking action to tackle climate change there are many other drivers for McPhillips to address this issue. These include:

-  Leadership - Taking strategic action towards reducing carbon emissions will ensure that McPhillips can lead the way in developing effective mechanisms to tackle climate change. This will help stimulate low carbon transitions across the regions in which we operate.
-  Cost savings - With increasing pressure on all businesses to cut costs, reducing the amount spent on energy bills is a key driver for lowering our energy consumption.
-  Reputation - With stretching national targets, there is increasing pressure on businesses to be seen as "doing their bit" and playing a leadership role on climate change action. Failure to act could lead to reputational risks and adversely affect the company's public image.

Reporting Standards and Scope

The calculation of McPhillips's carbon footprint is in line with the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard.

McPhillips employs Auditel as the consultancy providing carbon accounting services. Auditel undertake a series of quality assurance checks in line with industry best practice to ensure that the Greenhouse Gas statements represent a faithful, true and fair account of McPhillips's GHG emissions from the data available.

The process follows the principles of ISAE3410, Assurance Engagements on Greenhouse Gas Statements standard, but is not a formal assurance to the standard currently. It is carried out to ensure that the statement is considered materially correct, a fair representation of the Greenhouse Gases emitted and is prepared in alignment with the Greenhouse Gas Protocol and the relevant activities of McPhillips.

Commitment to achieving Net Zero

McPhillips is committed to achieving Net Zero emissions by 2050 at the latest.

With regards to our scope 1 and 2 carbon emissions, which relate to our own use of fuel & energy for our own operations and is under our control, we will meet Science Based Targets for Scope 1 and achieve Net Zero for Scope 2 by 2030.

Baseline emissions footprint

Baseline Year End: September 2024

Our baseline emissions inventory includes all our measurable scope 1, 2 and 3 emissions. We include all seven Kyoto Protocol Greenhouse Gas groups in our emissions footprint calculations.

McPhillips's carbon footprint was first measured in 2025 for the baseline year of October 2023 to September 2024. From this, carbon reduction targets for the year 2024/5 have been developed. The September 2024 footprint shown below covers all scope 1 and 2 emissions and all scope 3 emissions which could be accurately calculated.

September 2024 Carbon Footprint Summary

Indirect (scope 3) emissions were responsible for 33.10% of our September 2024 carbon footprint, with the largest emitters being upstream transportation and fuel related activities / energy supply. The remaining 66.90% was due to direct (scope 1) emission sources and scope 2 emissions due to the use of electricity.

Scope Category	Sources Included	tCO2e	% of Footprint
1	Natural Gas, Mobile Combustion	2,609.87	65.45
2	Electricity	57.64	1.45
3	Fuel & Energy Related Activities, Upstream Transport, Waste from Operations, Business Travel, Employee Commuting & Homeworking.	1,319.86	33.10
Total		3,987.38	100.00

Current emissions reporting

Baseline Year End: September 2024

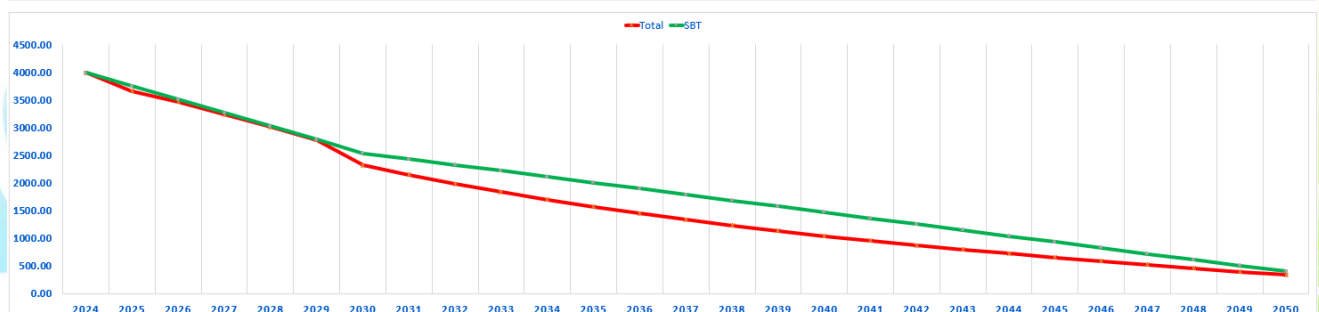
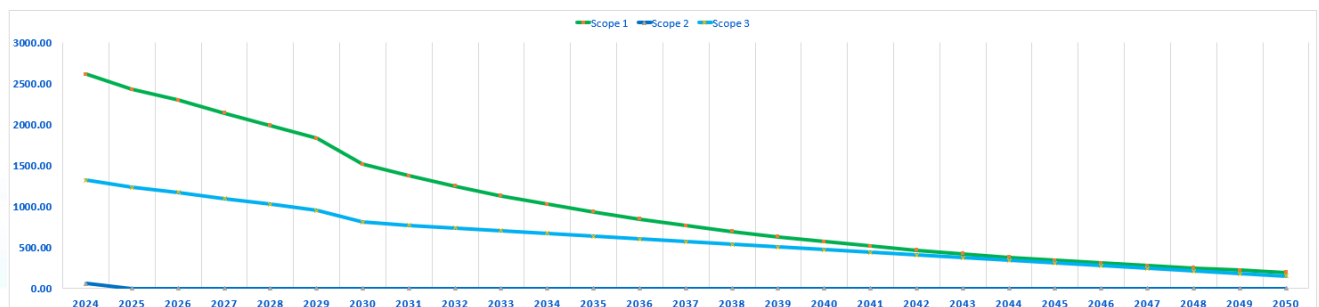
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Total		3,987.38	100.00

Emissions reduction targets

Our pathway to Net Zero has been developed as part of our engagement with Auditel and agreed by the senior management team. To achieve Net Zero, we have adopted the following carbon reduction targets:

- McPhillips is targeting Net Zero emissions across all our activities by 2050. This target includes the full activity of our supply chain working with us.
- McPhillips aims for 42% reduction in Scope 1 emissions by 2030, from a Sep 2024 baseline.
- McPhillips aims for 100% reduction in Scope 2 emissions by 2025, from a Sep 2024 baseline.
- McPhillips aims to reduce scope 3 emissions by 35% by 2030, this is from a Sep 2024 baseline.

Date	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050
Scope 1	2609.86	2427.17	2236.89	2040.09	1833.49	1626.90	1513.72	1372.72	1245.09	1129.49	1024.71	929.68	843.43	765.06	693.80	628.94	569.83	515.89	466.62	421.55	380.25	342.34	307.50	275.41	245.79	218.41	193.03
Scope 2	57.64	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Scope 3	139.37	1223.45	1070.01	936.33	822.26	748.39	694.63	670.59	628.95	602.98	583.27	565.90	550.48	536.23	523.29	510.47	497.76	485.16	472.64	460.22	447.89	435.65	423.50	411.44	399.47	387.59	375.74
Total	3987.37	3650.62	3467.23	3236.41	3005.75	2775.29	2537.05	2310.41	2143.30	1981.73	1832.36	1695.43	1565.43	1445.31	1334.36	1230.04	1132.23	1040.30	953.65	871.77	794.18	720.47	650.24	583.15	519.83	457.19	393.77
SBT	3987.37	3745.65	3503.93	3262.21	3020.49	2778.77	2537.05	2310.41	2143.30	1981.73	1832.36	1695.43	1565.43	1445.31	1334.36	1230.04	1132.23	1040.30	953.65	871.77	794.18	720.47	650.24	583.15	519.83	457.19	393.77



Completed Carbon Reduction Initiatives

The following environmental management measures and projects have been completed or implemented.

- ✎ We have installed LED lighting in our premises, which has the effect of reduction energy consumption by 80%. The lighting is also more durable with longer lifespan and reduces the heat emission.
- ✎ We have introduced electric and hybrid vehicles within our company cars. We will continue to migrate to a completely electric fleet, replacing older vehicles as they come to the end of their contracts.
- ✎ We have installed Solar PV panels at our head office site in Telford, which enables us to produce our own renewable energy and reduce our reliance on the National Grid.
- ✎ We have adopted the use of alternative fuels such as HVO (Hydrogenated Vegetable Oil) for machinery on certain sites. We will continue to introduce this to other sites.

Planned Carbon Reduction Initiatives

Carbon Reduction Targets

Scope Category	2024 Emissions (tCO ₂ e)	Proposed Reduction by 2030 (tCO ₂ e)	Proposed Reduction Measures
1	2,609.86	1,096.14	Move to greener alternative fuels (HVO), Decarbonise company owned vehicle fleet
2	57.64	57.64	Move to green electricity supply
3	1,319.87	515.18	Waste reduction and segregation, Road freight emissions reduction, Well To Tank and Transmission & Distribution emissions reduction due to Gas, Electricity and Fleet, Fuel decarbonisation
Total	3,987.37	1,668.96	

Scope 1 Reduction

In the medium to long term (by 2030) we aim to switch our gas supplies to 100% green supplies, as and when possible.

We are also investigating the use of alternative fuels in our machinery at work sites. HVO has already been trialled at some sites, so we expect this to continue and expand to other sites. We will also keep our focus on future developments such as Hydrogen or Electric machinery and adopt these as and when feasible.

A phased transition of company owned vehicles to zero emissions is planned, having already moved to electric or hybrid for some of our company cars.

Combined, these measures should result in a carbon reduction of at least 1,096 tCO₂e.

Scope 2 Reduction

We plan to reduce our scope 2 emissions to zero, with the use of 100% renewable electricity in all our sites. This will give us 57.64 tCO₂e reduction in scope 2 emissions.







Scope 3 Reduction

To reduce our scope 3 emissions, we plan to transition to better waste segregation and make adjustments within our working practices to ensure that waste is treated in the most efficient way. This will ensure that the waste is categorised appropriately for treatment to facilitate recycling, composting or proper disposal to minimise landfill waste, reduce pollution and promote resource recovery.




We will monitor the carbon intensity of road freight that is used in delivery of materials to our work sites. We will engage our supply chain to ensure they support us and continue to progress themselves towards net zero by 2050, prioritising low carbon carriers where possible.

In the future we plan to implement further measures which will continue to drive down emissions. We are considering several initiatives and those below are some of the examples of areas we are discussing.





Behavioural Change

-  Build awareness amongst our workforce of the impact of their decisions on our journey to Net Zero.
-  Reduce business travel by rail and road through effective measurement and a sustainable travel policy with a digital first procedure. No air travel included in the Carbon footprint.
-  Rethinking our travel policy to minimise environmental impact. Modal shift whenever possible and using greener hotels.
-  Actively quantify carbon emissions from commuting and home working via staff surveys and use this as an opportunity to encourage alternative travel arrangements via employee engagement.
-  Encourage sustainable ways for employee commuting including the UK Governments Cycle to Work scheme.
-  Review of emissions data sources, processes and methodology, emissions categories and business reporting structure.

Investment

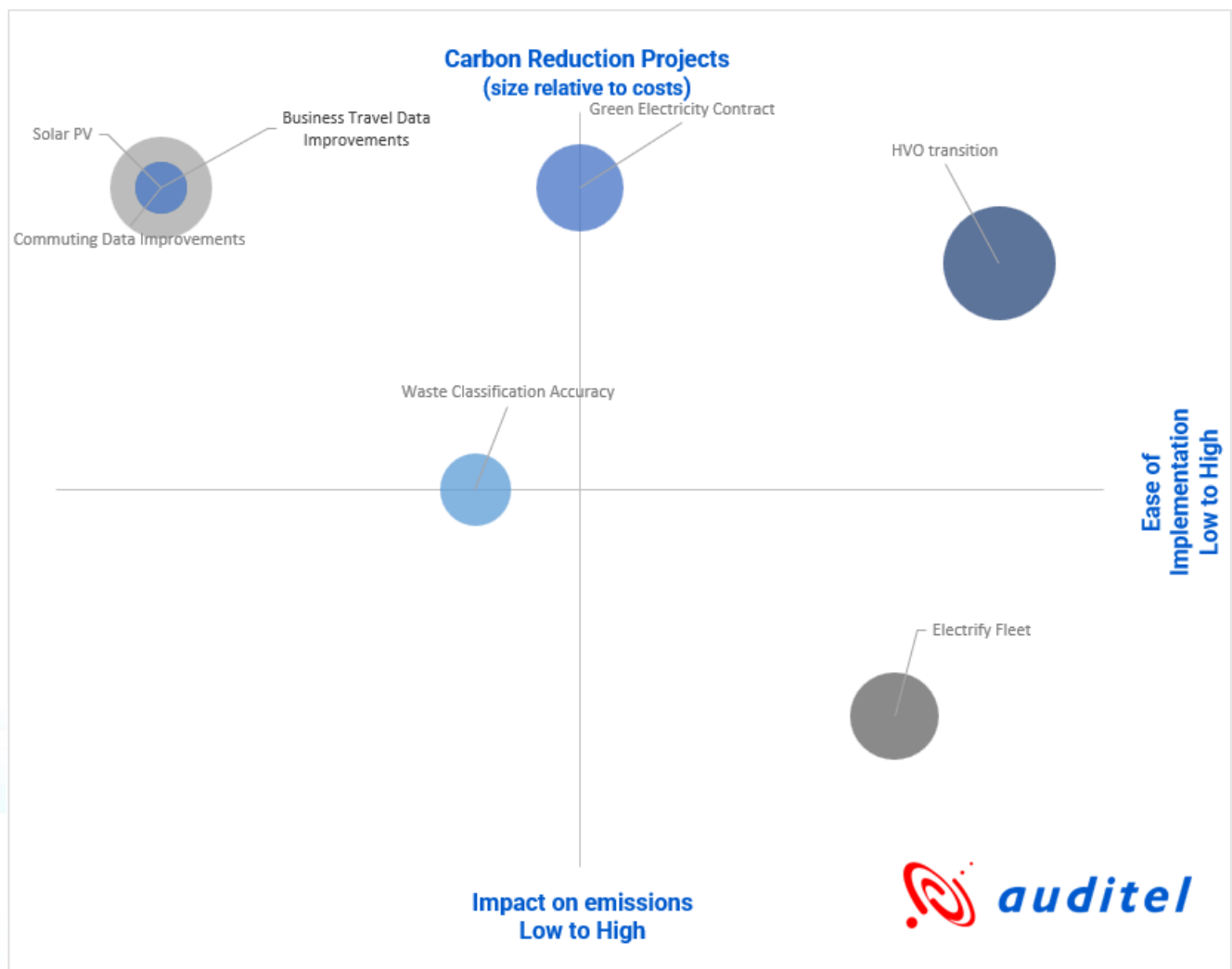
-  Conduct a full site and building survey to consider alternative fuels and self-generation solutions.
-  Consider installing an Energy Management System to control and reduce consumption of energy.
-  Consider expanding our provision of onsite EV charging stations.

Procurement

-  Look to procure 100% renewable electricity when the current contract expires.
-  Switch the entire fleet to EV's as and when the current fleet arrangements expire.
-  Work with our suppliers to encourage them to record their own carbon emissions and set realistic carbon reduction targets.
-  Collaborate with our logistics partners to look at alternative fuel, routes, and innovative solutions to reduce our scope 3 emissions due to transportation and distribution.

Carbon Reduction Projects

The graphic below shows the possible carbon reduction projects that might be undertaken, prioritised by ease of implementation against the likely impact on carbon emissions.



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 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 SECR 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) Standard.

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

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

Signed on behalf of McPhillips (Wellington) Ltd



Paul Inions (Nov 17, 2025, 3:37pm)

Paul Inions

Director

Date: 17 Nov 2025