

CARBON REDUCTION PLAN

Supplier Name: Esh Group

Publication Date: 27th June 2023

COMMITMENT TO ACHIEVING NET ZERO

Esh Group is committed to achieving Net Zero emissions by **2040**.

Baseline Emissions Report

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:

2017

Additional Details relating to the Baseline Emissions calculations:

Esh Group has measured and reported carbon emissions since 2010 using the Certified Emissions Measurement and Reduction Scheme (CEMARS) scheme.

The Group obtained the ISO 50001 Energy Management certification in July 2013 and have consistently analysed data from that period. In March 2022 Esh began to comprehensively measure its group wide carbon emissions using the SmartCarbon platform. All relevant activities under Scope 1, 2 and 3 were included and the emissions were estimated using UK government's conversion factors and environmentally extended input-output (EEIO) factors.

Esh Group have calculated group emissions for 2017 as the Baseline reporting period, due the availability of relevant data for Scope 1, 2 and 3 operational activities. Where necessary emissions in Scope 3 have been calculated by means of SIC expenditure codes in full alignment with PPN/06 21 requirements. Scope 3 emissions include category 4: upstream transportation and distribution, category 5: waste generated in operations, category 6: business travel, category 7: employee commute, and category 9: downstream transportation and distribution.

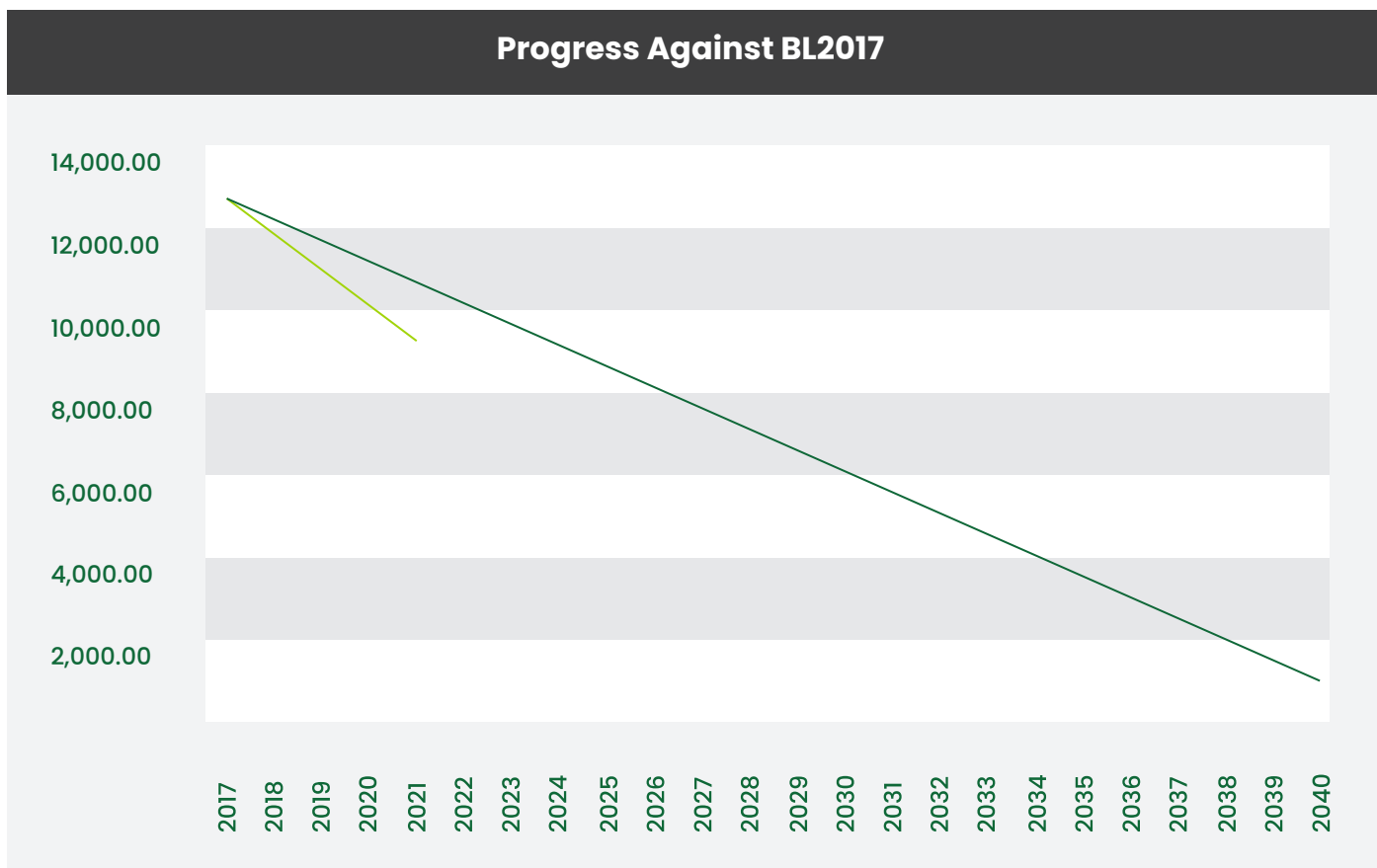
There are no emissions attributable to 9: downstream transportation and distribution, and all fuel used in transportation of sold product is from company vehicles and reported under Scope 1.

Baseline Year Emissions:

2017

EMISSIONS	TOTAL (tCO ₂ e)
Scope 1 Total	10,425 tCO₂e
Scope 2 Total	147 tCO₂e
4: upstream transportation and distribution	1,811 tCO ₂ e
5: waste generated in operations	13 tCO ₂ e
6: business travel, category	88 tCO ₂ e
7: employee commute	112 tCO ₂ e
9: downstream transportation and distribution	0 tCO ₂ e
Scope 3 Total	2,024 tCO₂e
Total Emissions	12,596 tCO₂e

Reporting Year: 2022	
EMISSIONS	TOTAL (tCO ₂ e)
Scope 1 Total	8,651 tCO ₂ e
Scope 2 Total	44 tCO ₂ e
4: upstream transportation and distribution	1,084 tCO ₂ e
5: waste generated in operations	47 tCO ₂ e
6: business travel, category	36 tCO ₂ e
7: employee commute	59 tCO ₂ e
9: downstream transportation and distribution	0 tCO ₂ e
Scope 3 Total	1,226 tCO ₂ e
Total Emissions	9,397 tCO₂e



Additional Details relating to the Baseline Emissions calculations:

We have set a group wide target to achieve Net Zero by 2040, measuring Scope 1, 2 and 3 carbon emissions on a quarterly basis against the 2017 baseline. The emissions will be monitored annually against our Carbon Reduction Plan.

Our Carbon Reduction Plan sits within both our ISO 50001 Energy and ISO 14001:2015 environmental management systems and is based on GHG management hierarchy for the entirety of Esh Group which includes our main contracting business; Esh Construction, and private housing division; Homes by Esh.

Our Carbon Reduction Plan includes the relevant Scope 3 emissions:

- ② Purchased goods & services
- ② Business travel
- ③ Employee commute
- ④ Waste disposal
- ⑤ Water usage
- ⑥ Transmission and distribution loss for electricity, and;
- ⑦ 'Well-to-tank' impact for fuels.

Our reduction plan is to achieve Net Zero by 2040, a decade earlier than the UK government's commitment and goes beyond the requirements of PPN 06/21. Our plan also meets or exceeds the aspirational targets set by many of our key clients.



Esh Group aims to reduce Scope 1, 2 and 3 emissions **by 90%** (vs 2017 baseline) **by 2040**. The remaining emissions will be offset using credible carbon removal or sequestering offsets. We project that carbon emissions will decrease over the next five years to **8,927 tCO₂e by 2027**. This is a reduction of **5%**

We recognise that our plan to decarbonise will rely heavily upon the decarbonisation journey of our suppliers and availability of low carbon fuel sources for heavy goods vehicles and plant machinery. Active engagement with our supply chain will help us measure accurately and reduce our Scope 3 emissions. Continued interaction with industry partners will help us better understand the timeframe for necessary innovation, affordability, and availability of low carbon solutions. As a result, our Net Zero path is based on assumptions for the decarbonisation trajectory of our supply chain and the industry and sector innovations.

Ongoing Carbon Reduction Projects

Some of the carbon reduction projects implemented since 2017 are listed below.

- ② Investment in IT infrastructure, cloud working and the decommissioning of local IT infrastructure;
- ② Promotion of a hybrid working policy which encourages homeworking to reduce commuting;
- ② Improving vehicle efficiency through speed limiters and Masternaut fleet management software;
- ② Replacing old vehicles with Euro 6 compliant vehicles within the fleet to reduce emissions;
- ② Introduction of hybrid and battery electric grey fleet vehicles;
- ② Introduction of electric vehicle charging infrastructure across our offices;

- ☒ Introduction of energy efficient site cabins and welfare facilities;
- ☒ Promotion of early site grid connection to reduce usage of fossil fuel onsite generators;
- ☒ Promotion of the reuse of aggregates on site;
- ☒ Reduction of the use of virgin aggregates;
- ☒ Reduction of the amount of non-hazardous waste sent to landfill.



Planned Carbon Reduction Projects

We plan to implement following carbon reduction measures:

Planned reduction projects relating to Scope 1 & 2

- ☒ Introduction of hybrid (PHEV) and battery electric company car scheme for staff / employees;
- ☒ Increased provision of electric vehicle charging infrastructure across our offices to encourage uptake of hybrid and battery electric vehicles;
- ☒ Introduction of hydrogen powered generators on selected sites;
- ☒ Introduction of biodiesel, electric and hydrogen powered tipper trucks;
- ☒ Introduction of electric and hydrogen powered plant machinery;
- ☒ Introduction of electric powered power tools to replace internal combustion powered tools;



Planned reduction projects relating to Scope 3

- E Improve the supply chain emissions accuracy through better data collection and support partners on their carbon journey through engagement, awareness, guidance, and action.

Ongoing and planned projects will be underpinned by:

Carbon Champions	Colleagues with the relevant knowledge and authority elected to bring forward new carbon reducing ideas and innovations.
Carbon Clienting	Proactive discussions with our clients at senior level regarding 'Green Engineering' and the commissioning of low carbon solutions.
Carbon Comms	Proactive communication of Carbon related innovations and knowledge sharing both internally (case studies) and externally (press and social media).
Carbon Culture	Continued promotion of, and the active participation in, the development of the built environment and construction sector's carbon culture and the mandatory training for staff and supply chain partners on carbon foot printing, management, and reporting.
Carbon Certification	Joining credible net zero initiatives / programs such as UN Race to Zero and Science based target initiative (SBTi).

Declaration and Sign Off

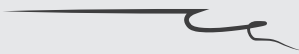
This Carbon Reduction Plan has been completed in accordance with PPN 06/21 and associated guidance and reporting standard for Carbon Reduction Plans.

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).

Signed on behalf of the Supplier:



ANDY RADCLIFFE
Chief Executive Officer
Esh Group
Date: 27/06/2023