



CARBON REDUCTION PLAN

Working towards NET ZERO CARBON



01845 501793



admin@dhmscivils.co.uk



www.dhmscivils.co.uk



CONTENTS

1.0 Introduction

- 1.1 Our Business
- 1.2 Commitment to achieving Net Zero
- 1.3 Proven track record

2.0 Baseline emissions footprint

- 2.1 Data capture and carbon calculation
- 2.2 Carbon data assurance

3.0 Emissions reduction targets

- 3.1 Progress against our net zero strategy

4.0 Carbon reduction projects

- 4.1 Completed carbon reduction initiatives
- 4.2 Electric vehicle transition
- 4.3 Future carbon reduction initiatives
- 4.4 Wider emissions reduction projects

5.0 Declaration



1.0 INTRODUCTION

1.1 OUR BUSINESS

DHMS Civils Ltd is an Independent Civils Engineering business operating within Water, Power sectors of the utilities sector, offering general services to the wider civil construction community. DHMS employs over 50 people and operates in England, Scotland and Wales and we have collaborated with our sister company, DHMS Multi-services Ltd, in developing our approach to carbon measurement and management.

Our business spans the construction lifecycle of the built environment, consisting of property development, construction, services engineering, plant and facilities management.

The scope of this plan covers our DHMS and subsidiaries Infrastructure. More about what we do can be found at www.dhmascivils.co.uk

Carbon reduction is a key theme in our sustainability strategy 'building a sustainable tomorrow' and this carbon reduction plan details what our carbon reduction targets are and how we are progressing against them.

1.2 COMMITMENT TO ACHIEVING NET ZERO

Reducing carbon emissions is at the heart of our organisations sustainability strategy. We are committed to halving the impact of our operations by 2023 from 2015 levels and achieving net zero emissions in our direct operations by the end of 2026.

Since 2021 we have had a mature and robust carbon measurement and reporting system which has helped us demonstrate substantial reductions year on year.

Delivering low carbon solutions not only helps us reduce our clients' carbon footprint, it generates cost benefits for them and our own business as well as helping to build our brand and reputation, and to achieve our objectives against our sustainability strategy – Building a Sustainable Tomorrow. It also helps us meet Government and legal requirements, such as the Energy Savings and Opportunities Scheme (ESOS), Streamlined Energy and Carbon Reporting (SECR) and the drive nationally to become net zero carbon by 2050.

“Since our inception, DHMS Civils has taken key steps to reduce climate impacts. We will continue to act and encourage our supply chain and clients to take positive steps. Together we will achieve the carbon emissions reductions needed to meet the Net Zero Carbon goals of the UK Government and industry.”

Dave Hymas , Executive Director



1.0 INTRODUCTION



1.3 PROVEN TRACK RECORD

DHMS Civils Ltd has been instrumental in developing and supporting a 49% reduction in direct emissions intensity from our 2021 baseline. We have an ongoing strategic target of DHMS Civils Ltd to rank among the leading companies nationally.

In addition to this, in 2022 we secured the Carbon Reduce scheme's (ISO14064:2018) Gold award for ongoing carbon reductions of more than 60% in 2022 compared to our original 2021 baseline. Further to our net zero carbon target, in 2022 DHMS Civils ratified its carbon reduction targets with the Science Based Targets Initiative and was one of the many companies in the construction sector to do so. Our reduction pathway is in line with the 1.5°C scenario and demonstrates our carbon reduction efforts are sufficient to meet this key objective.

The aim is to catalyse collective action to raise awareness of construction activities action on climate change and biodiversity loss, especially amongst the supply chain and smaller businesses in the sector. We closely follow the guidelines set out by The Supply Chain Sustainability School to accelerate the take up of sustainable practices in the construction industry and to up-skill the entire supply chain.



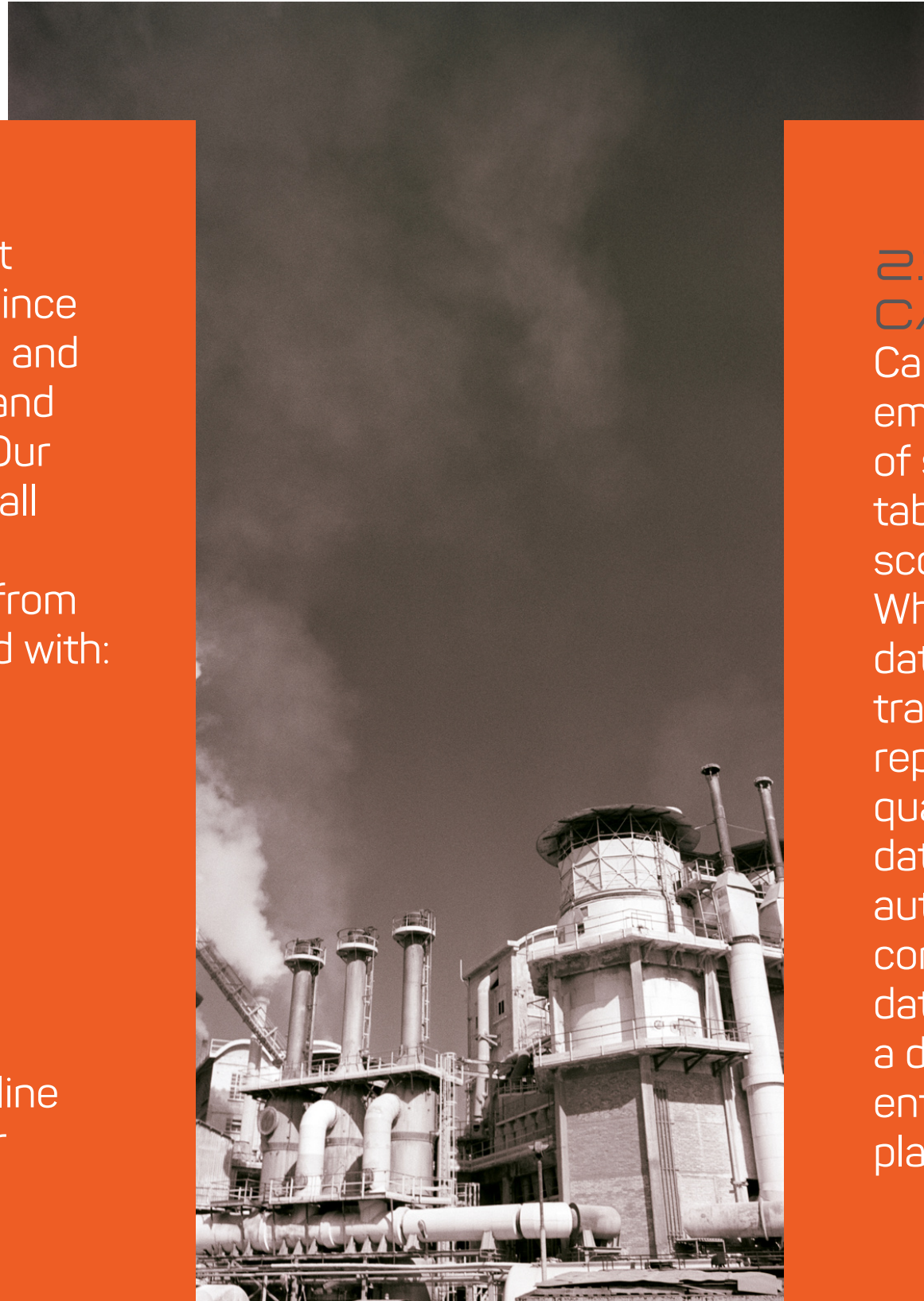
2.0 BASELINE EMISSIONS FOOTPRINT



DHMS Civil's has measured its direct carbon emissions since 2008 and, since then, has developed comprehensive and efficient ways of handling the data and presenting it back to stakeholders. Our direct emissions inventory includes all GHG scope 1 and 2 emissions and additionally includes carbon arising from select scope 3 emissions associated with:

- Business travel
- Employee commuting
- Use of hotels
- Water use
- Staff transport via air and rail
- Waste generated in operations
-

We have selected 2021 as our baseline year as it provides a robust basis for DHMS emissions accounting.



2.1 DATA CAPTURE & CARBON CALCULATION

Carbon data management is complex with emissions originating from a large number of sources, activities and processes. The table above describes our approach and scope for each emissions inventory item. Wherever possible, we collect activity data at its most granular – often from transaction level goods and services reports, to ensure we are using the best quality and most accurate sources of data. Where we are unable to obtain data autonomously, nominated individuals complete data returns via our web-based data collection platform. The tool creates a digital interface in which users can enter their data whenever activities take place.



2.2 CARBON DATA ASSURANCE



Our carbon data is externally verified twice annually at corporate level in line with ISO14064:2018 under the Carbon Reduce scheme and the GHG protocol as part of our parent companies annual integrated reporting. Achillies Verify have praised our approach to carbon management and ensures that our carbon data is of high quality. At project level, we undertake detailed carbon audits which support our compliance with ESOS legislation and gives our projects targeted guidance on how they can reduce carbon, specific to their situation.



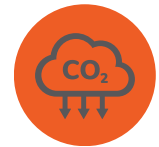
3.0 EMISSIONS REDUCTIONS TARGETS



CARBON REDUCTION TARGET



Reduce scope 1, 2 & selected scope 3 GHG emissions intensity by 50% by 2024. We reduced our overall CO2 emissions intensity by 32% compared to 2021 levels. Reduce scope 1, 2 & selected scope 3 GHG emissions intensity by 80% by 2026.



Reduce GHG emissions intensity from staff transport by 30% by 2023.



Reduce GHG emissions intensity from premises by 50% by 2023.



Reduce the GHG emissions intensity from the waste by 20% by 2023.



Reduce the GHG emissions intensity from the transport of goods and services by 20% by 2023.

PERFORMANCE IN 2021



We reduced our overall CO2 emissions intensity by 32% compared to 2015 levels.



Staff transport was 78% lower than 2015 levels with the most significant reductions seen in air and rail travel due to Covid-19 restrictions. We estimate that around 15% of the overall reduction in travel emissions is attributed to improvements in vehicle efficiency and reduced mileage.



Offices both leased and owned are included in this target and we have seen a 40% reduction in GHG emissions from these entities. This is as a result of reducing numbers of fixed premises since 2015 and further reductions from partial office closures in 2021 due to Covid-19 restrictions.



Emissions from waste have increased by 58% in 2022. The nature of our operations means waste arisings can vary significantly year to year and this affects the carbon emissions greatly. DHMS's long term trend back to 2021 shows waste emissions are reducing across all waste streams by deploying more modular construction practices and improved behaviours around waste management.



Transport emissions have remained flat in 2022 compared to 2021 levels and is directly correlated to the amount of purchased goods and services we have used compared to the previous year.

3.0 EMISSIONS REDUCTION TARGETS



3.1 PROGRESS AGAINST OUR NET ZERO STRATEGY

Our net zero decarbonisation pathway below illustrates how we plan to reduce emissions - ultimately towards net zero carbon by the end of 2026. Our net zero carbon target covers the breadth of our direct emissions including, directly procured liquid fuels, electricity, natural gas and staff transport.

In addition to direct scope 1 and scope 2 emissions, we also include the scope 3 staff transport emissions associated with private vehicles, third party procured energy and fuel, rail and air travel, and in addition include emissions from hotel usage and the well-to-tank emissions associated with fuel and energy consumption.

The pathway shows where the emissions reductions will occur and also shows the residual emissions reductions to be achieved through credible carbon offsetting measures. 2021 emissions were relatively consistent with 2020 levels in absolute terms although there was a notable increase in workload which means the carbon intensity has actually reduced by 21% compared to 2020 for our direct scope 1 and 2 emissions.

We saw continued reductions in transport emissions which is partially attributed to the ongoing effects of the Covid-19 pandemic but is also due to the continued roll out of our EV only company vehicles.

Moving forwards we are confident that emissions will continue to fall sharply due to the greater establishment of remote working practices, the electric vehicle transition and the continued use of HVO fuel. Longer term we expect developments in hydrogen-based power trains to become available to the industry.



4.0 CARBON REDUCTION PROJECTS







4.1 COMPLETED CARBON REDUCTION INITIATIVES




The following environmental management measures and projects have been completed or implemented since the 2021 and 2022 baselines (up to the end of 2022 and beyond). The carbon emission reduction achieved by these schemes equate to 12,335 tCO₂e since 2021, and a 23% reduction against the 2022 baseline.

These measures will be in effect when performing any contract. In addition to carbon reduction, since 2021, our overall energy intensity (kWh / £m turnover) has also decreased by 21%, and business mileage intensity (miles/driver) has decreased by 6% or 280K miles in total (this is based on 2021 data as 2020 was impacted by COVID restrictions). For 2022, our business mileage intensity had decreased by 58% which is split between roll out of electric vehicles and remote working practices. Actions leading to these performance improvements include:





MANAGEMENT SYSTEMS

-  Environmental Management System certified to ISO 14001 2015, which includes procedures to measure, manage and minimise or reduce the use of energy, fuel, transport and resulting carbon emissions.
-  Certification to ISO 14064 and CEMARS for the measurement and management of green house gas emissions.
-  Every construction project produces an environmental management plan which includes the controls and measures to minimise carbon emissions. Pre-commencement checklists and regular auditing ensure that measures are in place and effective.
-  Energy supplies and construction site operational set ups are controlled centrally by our Site Solutions team, ensuring consistent approach to energy efficient plant and equipment.

ENERGY EFFICIENCY

-  DHMS mandated the use of remote automated metering and energy management and targeting systems on all construction sites in 2010. This has provided transparency and granularity on energy use from all site activities and enabled better control, auditing and assessment of reduction measures.
-  Since 2021 DHMS has had a program of assessing and upgrading specifications of temporary site accommodation (the largest source of energy use on projects). Energy efficient site accommodation is in use and updated over time when new solutions are available.
-  Measures include significant improvements to thermal insulation, energy and systems controls, LED lighting, water saving equipment, low energy heating and cooling systems such as heat pumps.

RENEWABLE AND ALTERNATIVE ENERGY SOURCES

-  DHMS has mandated the procurement of only 100% renewable energy supplies as standard since 2019.
-  In 2023, DHMS updated its company car policy to allow only the provision of plug-in hybrid and full electric vehicles. Along side the company introduced incentives for electric vehicles, including subsidised home charging equipment.
-  A number of trials have been undertaken of electric, hybrid and hydrogen vehicles for the company light commercial vehicle fleet, including taking part in the Government Office for Low Emissions Vehicles hydrogen trial program.
-  The company has implemented support for remote and flexible working, including a new company wide flexible working policy allowing every employee elements of flexibility in their role. This is supported by technologies and programs, including remote meeting tools, hot-desking and working at home subsidies and equipment.

4.0 CARBON REDUCTION PROJECTS

We have taken consistent action to decarbonise our activities over the past decade and always strive to undertake work in using low carbon solutions. DHMS strives to implement a carbon saving at every level throughout the project lifecycle and the following are examples that made a significant contribution to our carbon reduction efforts in 2021.

4.2 ELECTRIC VEHICLE TRANSITION

In 2021, DHMS Civil's made changes to its company car policy eliminating combustion engine vehicles from the list entirely. Since the introduction of this policy, over 15 new EVs have been brought into the company displacing fossil fuel powered equivalents.

This has resulted in a carbon reduction of 8tCO₂e with reductions expected to accelerate further in 2024 and beyond. Due to this policy, DHMS's fleet will be 100% EV by 2028. Our sister company DHMS Plant has recently become a certified installer of EV charging points and is rapidly working to ensure every project and office has the facility for EV users to recharge. The company also supports staff opting for an EV with a financial subsidy to install charge points at their home.

Further to this employees on car allowance receive a 20% uplift if they opt to purchase an EV themselves.





4.3 FUTURE CARBON REDUCTION INITIATIVES

Building on the work carried out to date, we have a number of measures and projects planned as part of our net zero commitment. These include:



Continued improvements to onsite equipment and accommodation and permanent offices, with continued reduction in energy use intensity, for example through the adoption of heat pump technology for permanent and temporary offices and accommodation.



Full electrification of company car fleets from 2026.



Electrification of grey fleet (employees in receipt of a car allowance who travel for work). This will be achieved through further incentives and the setting of minimum requirements for receipt of a car allowance.



Electrification and decarbonisation (through use of alternative fuels) of light commercial fleets.



Use of HVO as a gas oil alternative for DHMS and within our supply chain, which emits 90%+ less CO2e.



Further trial, adoption and roll out of electrified plant and equipment, within our supply chain.

4.4 WIDER EMISSIONS REDUCTION PROJECTS

Buildings account for 40% of global GHG emissions. As a key provider of services to both public and private sector clients, DHMS has a key role to play in minimising emissions from existing and new buildings. This includes carbon impacts of the materials used to construct and maintain buildings and the impact of energy used to operate buildings over their lifecycle. DHMS already supports clients to reduce the carbon impact of their buildings and is committed to supporting them to achieve whole life net zero carbon buildings in the future. Actions include:



Consistent measurement and targeting of reductions in embodied carbon as a priority (with consideration of whole life embodied carbon).



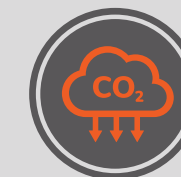
Supply chain carbon emissions measurement and reduction programs.



Delivering services to enable design for performance to achieve reductions in energy use intensity and in use operational carbon emissions for our clients' buildings.



Services to assess and improve the energy efficiency and to reduce carbon emissions from existing buildings.



Further development and offering of DHMS Multi-services to enable energy efficiency and renewable energy installations for new and existing buildings (helping clients to achieve net zero carbon in operation).

S.O 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:

A handwritten signature in black ink that reads 'Dave Hymas'.

30th September 2022

Dave Hymas

Executive Director

DHMS Civil's Ltd

