

Carbon Reduction Plan

for Hill & Smith Infrastructure

Revisions

Rev. No.	Date	Author	Comments
1	21/08/2023	Kathryn Cooper	1 st Issue
2			
3			

This Plan is a live document and should be reviewed at least annually.

GHG Emissions

SCOPES 1 & 2		
	Emissions (tCO ₂ e):	
	Baseline year: 2020	Current year: 2022
Scope 1	2,015.28	1,756.37
Scope 2 (<i>market-based</i>)	360.78	30.74
TOTAL:	2,376.06	1,787.11
SCOPE 3		
	Emissions (tCO ₂ e):	
	Baseline year: 2022	Current year: n/a
Cat. 1 Purchased goods & services	76,364.64	-
Cat. 2 Capital goods	878.07	-
Cat. 3 Energy T&D	390.26	-
Cat. 4 Upstream transportation	5,693.51	-
Cat. 5 Waste	16.67	-
Cat. 6 Business travel	16.55	-
Cat. 7 Employee commuting	151.51	-
Cat. 8 Upstream leased assets	N/A	-
Cat. 9 Downstream transportation	72.85	-
Cat. 10 Processing of sold goods	N/A	-
Cat. 11 Use of sold products	N/A	-
Cat. 12 End-of-life treatment	333.40	-
Cat. 13 Downstream leased assets	N/A	-
Cat. 14 Franchises	N/A	-
Cat. 15 Investments	N/A	-
TOTAL:	83,917.45	-

Emissions Reduction Targets

GHG reduction targets have been set at global level by Hill & Smith PLC and apply to all operations worldwide. **Internal targets** set to date are as follows:

- Net Zero for Scopes 1 & 2 by 2040
- Intensity ratio targets for Scopes 1 & 2 (tCO₂e per £000 revenue)
 - 2025: 0.08
 - 2030: 0.06

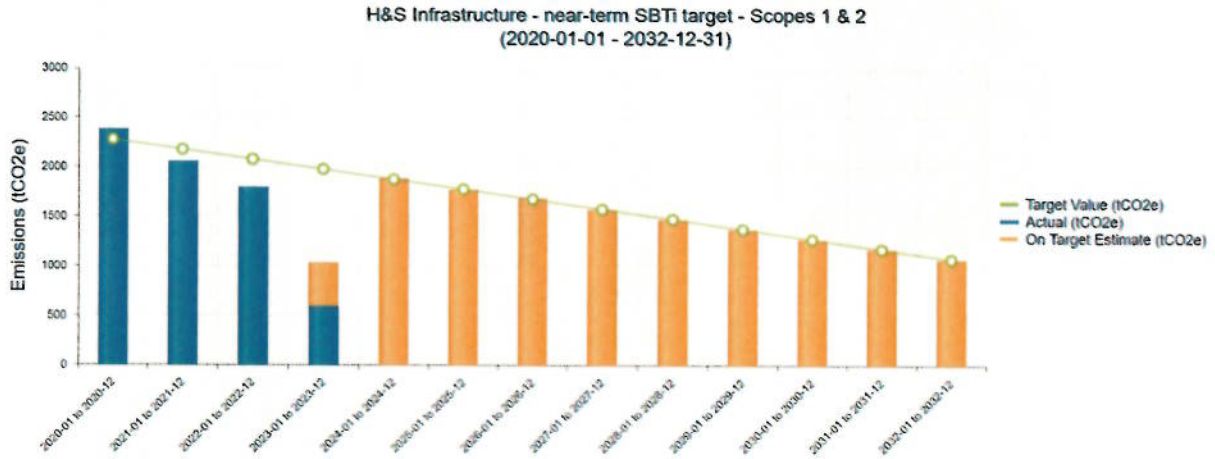
In addition, the following **Science Based Targets** have been proposed and submitted to the SBTi in July 2022 (awaiting approval):

- a. **Near-Term:** "Hill & Smith PLC commits to reduce absolute Scope 1 & 2 GHG emissions **55%** by **2032** from a **2020** base year. Hill & Smith PLC also commits to reduce Scope 3 GHG emissions **60% per £million operating profit** by **2032** from a **2022** base year."
- b. **Long-Term:** "Hill & Smith PLC commits to reduce absolute Scope 1 & 2 GHG emissions **90%** by **2040** from a **2020** base year. Hill & Smith PLC also commits to reduce Scope 3 GHG emissions **97% per £million operating profit** by **2050** from a **2022** base year."
- c. **Overarching Net-Zero:** "Hill & Smith PLC commits to reach net-zero GHG emissions across the value chain by 2050 from a 2020 (Scopes 1 & 2) and 2022 (Scope 3) base year."

Business Performance (near-term)

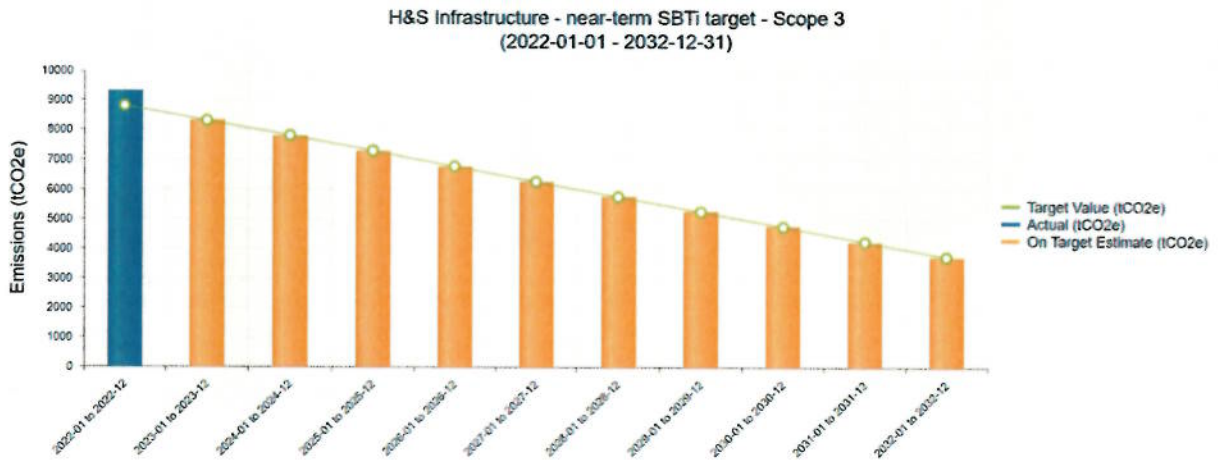
Scopes 1 & 2

The following chart shows performance against the *near-term Science Based Target* of a **55%** reduction in Scopes 1 & 2 GHG emissions by 2032 from a 2020 base year:



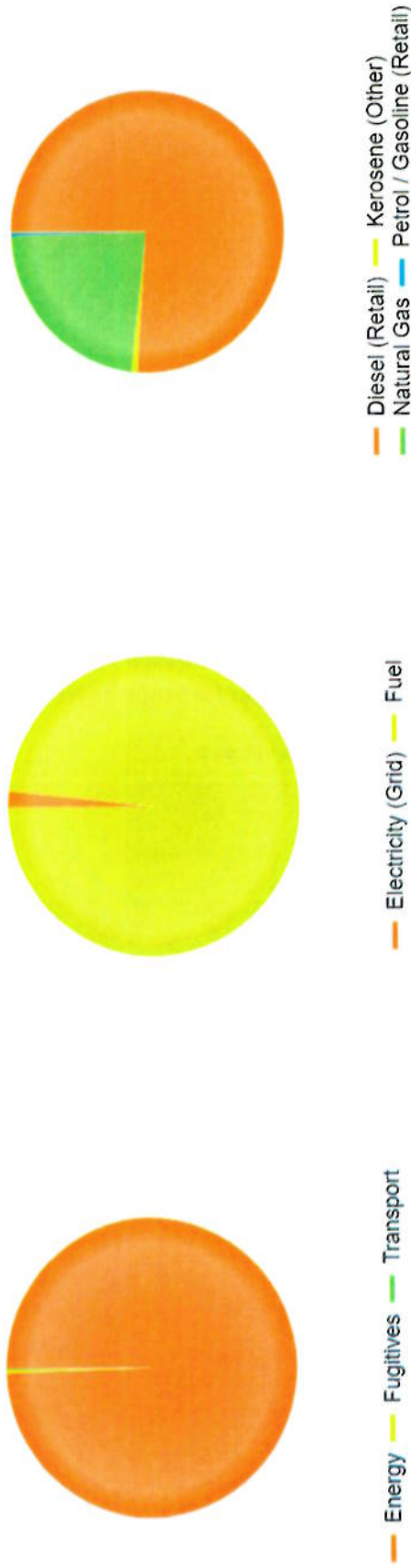
Scope 3

The following chart shows performance against the *near-term Science Based Target* of a reduction of **60%** per £million operating profit by 2032 from a 2022 base year for Scope 3 GHG emissions:



SCOPES 1 & 2

Emissions Breakdown



Breakdown of tCO₂e by source

Breakdown of Energy by type

Breakdown of Fuel by type

Reduction Plans & Projects

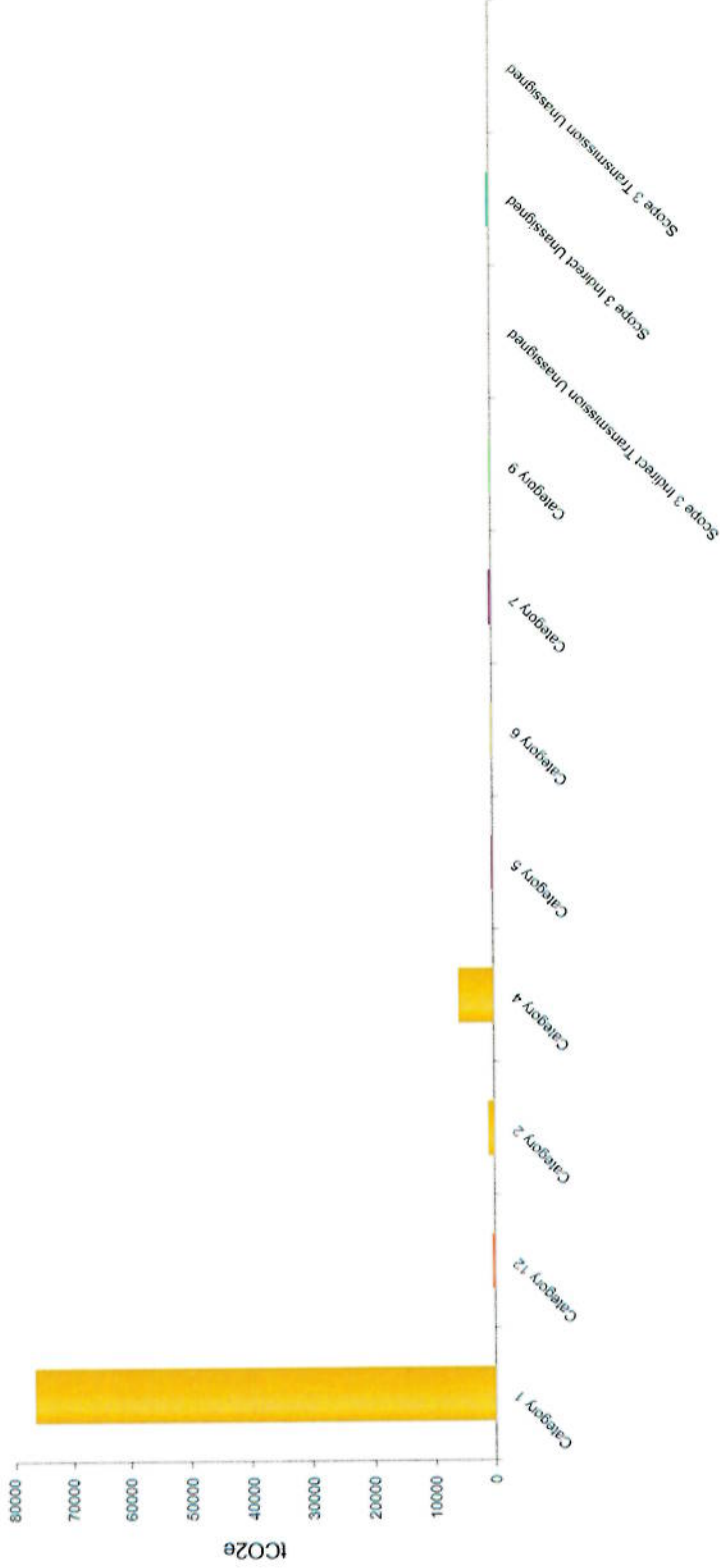
Action	Estimated cost and/or carbon savings or increases	Status	Actual cost and/or carbon savings or increases	Comments
Transfer to green electricity tariff	Reduce Scope 2 emissions to zero	Complete	Approx. 255 tonnes Scope 2 CO ₂ e per year reduction	
Install 300kWp solar PV system to factory roofs	£290k cost, 65Te CO ₂ e savings	Planning in Progress	Approx. 65 tonnes Scope 2 CO ₂ e per year reduction - £290k cost.	
Transfer to electric FLT fleet (for yard)	Reduce Scope 1 emissions by 20Te. No direct cost as replacing old fleet	Trails in progress	Approx. 20 tonnes Scope 1 CO ₂ e per year reduction	7 FLT's on site – all electric, 2 permanent and 5 temporary awaiting delivery of new ones

Transfer to HVO fuel for office heating	Reduce Scope 1 emissions by 265 Te	Compatibility studies in progress	Approx. 265 tonnes Scope 1 CO2e per year reduction. Approx 25% cost increase.	Costs reducing as HVO becomes more available
Transfer to HVO fuel for Combi-lifts	Reduce Scope 1 emissions by 5 Te	Compatibility studies in progress	Approx. 5 tonnes Scope 1 CO2e per year reduction. Approx 25% cost increase.	Costs reducing as HVO becomes more available
Replacement office building with thermal solar heating to reduce natural gas usage	Estimated £2,400,000, and approx. 35 Te scope 1 emissions reduction.	Not started	Approx. 35 tonnes Scope 1 CO2e per year reduction	Capex to be submitted through 2024

SCOPE 3

Emissions Breakdown

Emissions by GHG Scope 3 Category



Reduction Plans & Projects

Action	Estimated carbon savings	Associated costs	Status	Comments
More accurate data from supply chain for materials consumed.	Approx. 20% reduction on scope 3 CO2e using tonnage instead of cost. Further reductions based on production methods possible.	None	Planned	

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 standard¹³ and uses the appropriate Government emission conversion factors for greenhouse gas company reporting.¹⁴

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.¹⁵

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:

Name: Kathryn Cooper

Date: 22/08/2023

¹³ <https://ghgprotocol.org/corporate-standard>

¹⁴ <https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting>

¹⁵ <https://ghgprotocol.org/standards/scope-3-standard>

¹⁴ <https://www.gov.uk/government/collections/government>

