Carbon Reduction Plan

Supplier name: ACS Construction Group Ltd

Publication date: 27th March 2025

Commitment to achieving Net Zero

ACS Construction Group Ltd 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: 2023 (1 January 2023 – 31 December 2023)

Additional Details relating to the Baseline Emissions calculations.

In line with the Greenhouse Gas (GHG) Protocol Corporate Standard, ACS Construction Group Ltd ("ACS") reports its greenhouse gas emissions using the 'operational control' approach. This includes emissions associated with fuel consumption in its leased offices spaces, fleet vehicles, fuel consumption of construction projects, and refrigerant losses as 'Scope 1'. Furthermore, electricity consumption in leased office spaces as 'Scope 2' emissions, and all relevant other upstream and downstream value chain emissions as 'Scope 3' emissions have been included in ACS's GHG emissions.

Carbon Reduction Plan guidance requires detail on emissions from GHG Protocol Scope 3 categories 4, 5, 6, 7 and 9. ACS's approach to each of these categories is set out below:

- Category 4 – Upstream transportation and distribution: This covers material deliveries and office deliveries.
    - Material deliveries were calculated using available supplier delivery distance data and the relevant UK GHG conversion factors. As detailed shipment weight and volume data was not available, distance-based estimation methodology was applied using the best available information at the reporting date. The organisation continues to review opportunities to improve supply chain emissions data quality and granularity over time.
    - Office deliveries were calculated using annual spend on couriers and the relevant UK Government GHG conversion factors.
- Category 5 - Waste Generated in Operations:
    - General waste: calculated by multiplying ACS's service charge cost covering general waste collection services and the relevant spend-based UK Government GHG conversion factors.
    - Recycled office waste: calculated by multiplying ACS's operational waste tonnage and the relevant UK Government GHG conversion factors.
    - Wastewater volume (estimated from our actual water use) by the relevant Government GHG conversion factors.
    - Construction project waste was not included in the current reporting period due to limitations in capturing consolidated corporate-level activity data at the time of reporting.

- The organisation has since enhanced its data collection processes and will include project-level waste data in Category 5 reporting in the next reporting period, where available, to improve completeness and accuracy of emissions reporting.

- Categories 6 and 7 – Employee commuting and business travel: This category includes emissions from both employee commuting and business-related travel where these are captured through employee travel reporting systems.
  - The underlying dataset records employee mileage, which includes both commuting and business use of private vehicles. Emissions have been calculated using recorded mileage and UK Government GHG conversion factors. Business travel emissions also include hotel stays associated with overnight trips were captured through expense or travel records, with emissions calculated using relevant UK Government GHG conversion factors.
- Category 9 – Downstream transportation and distribution – This category is not applicable as ACS provides construction and contracting services rather manufacturing or retailing of physical products requiring downstream transportation, storage or distribution following sale.

Other Notes on Reporting Methodology:

- GHG emissions from electricity (Scope 2) are reported according to the 'location-based' approach.
- Appropriate-year UK GHG Conversion Factors have been applied, and GHG emissions are reported as carbon dioxide-equivalent (CO2-e), which includes the following emissions: carbon dioxide (CO2), methane (CH4), hydrofluorocarbons (HFCs), nitrous oxide (N2O), perfluorocarbons (PFCs), sulphur hexafluoride (SF6) and nitrogen trifluoride (NF3).
- Well-to-tank emissions associated with travel emissions have not been included.

Baseline year emissions: 2023 (1 January 2023 – 31 December 2023)

EMISSIONS	**TOTAL (tCO_2e)**
Scope 1	**338**
Scope 2	**3**
Scope 3 (Included Sources)	**205** • Category 4 – Upstream transportation and distribution = 87 • Category 5 – Waste Generated in Operations = 5 • Category 6: Business Travel and Category 7: Employee Commuting = 112 (excluding hotel stays and work from home emissions) • Category 9 – Downstream transportation and distribution = 0
Total Emissions	**546**

Current Emissions Reporting

Reporting Year: 2024 (1 January 2024 – 31 December 2024)	
EMISSIONS	**TOTAL (tCO_2e)**
Scope 1	**509**
Scope 2	**1**
Scope 3 (Included Sources)	**746** • Category 4 – Upstream transportation and distribution = 596 • Category 5 – Waste Generated in Operations = 27 • Category 6: Business Travel = 16 (excluding hotel stays) • Category 7: Employee Commuting = 107 (excluding work from home emissions) • Category 9 – Downstream transportation and distribution = 0
Total Emissions	**1,256**

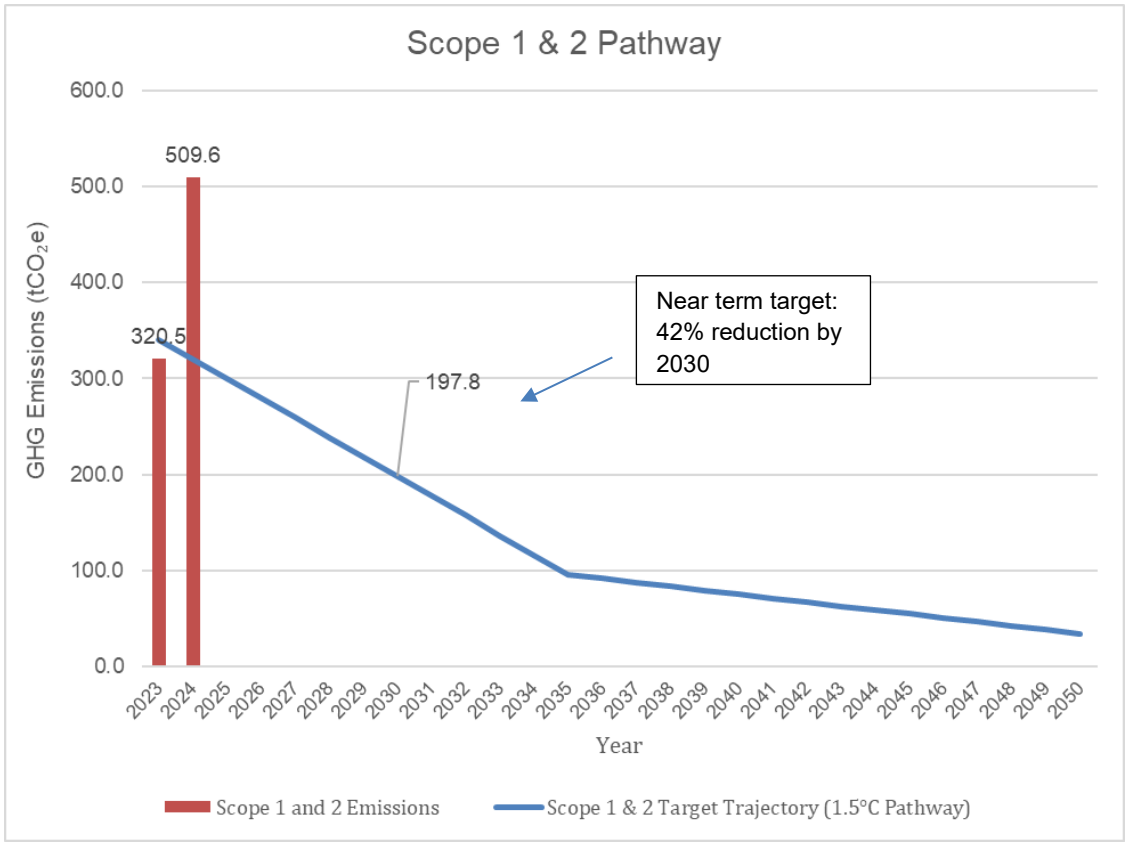
Emissions reduction targets

ACS is committed to reducing its Scope 1, 2 and 3 carbon emissions by 2050, aligned with the Paris 1.5°C pathway. In order to continue our progress to achieving Net Zero, ACS have adopted the following carbon reduction targets.

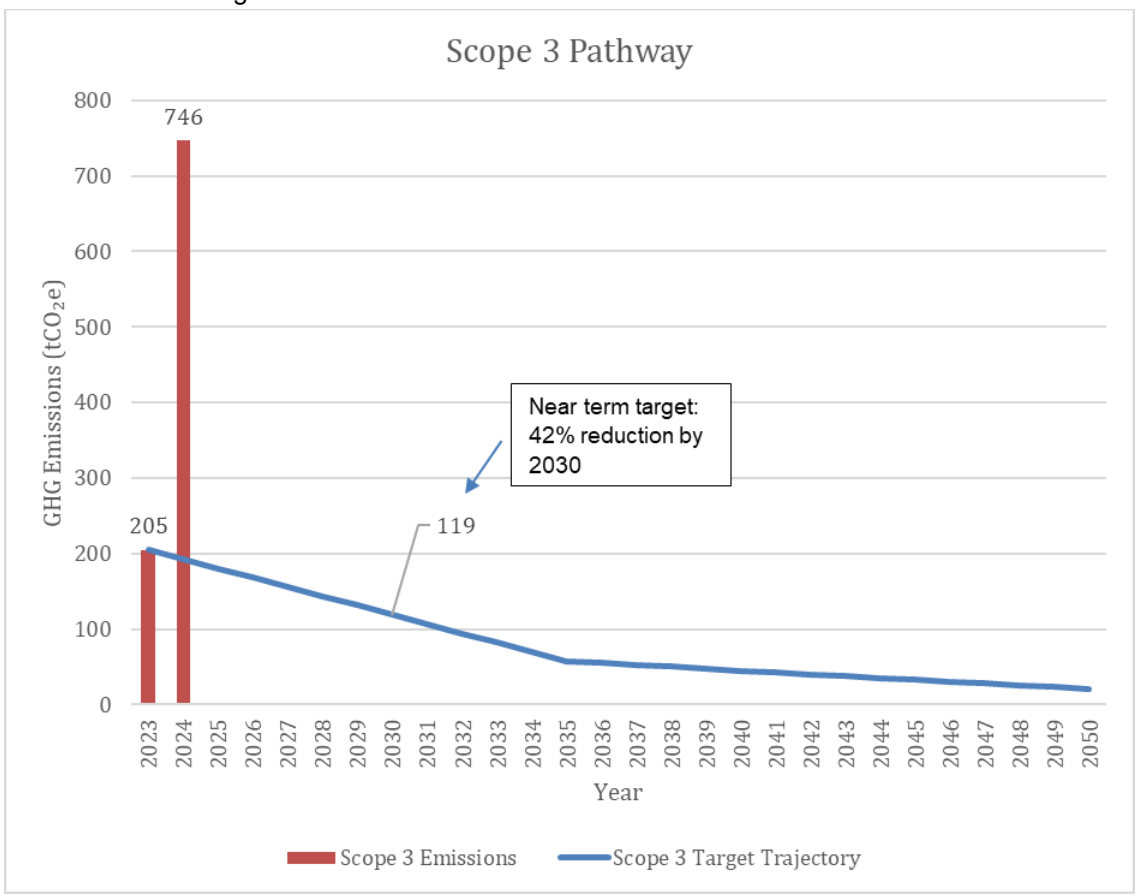
Near-term targets (Near term target year- 2030):

- Target a decrease in absolute carbon emissions to 198 tCO2e by **2030**, for **Scope 1 and 2 emissions** arising from ACS's offices, fleet vehicles and fuel consumed on site during construction projects. This represents a reduction of 42% based on the baseline year.
- Reduce absolute Scope 3 emissions by 25% by 2030, covering all Scope 3 categories that are applicable to ACS's business operations.

Progress against these targets can be seen in the graphs below:



As shown in the above graph, the absolute Scope 1 and 2 emissions have increased by 34% in 2024 compared to the 2023 baseline. This can be attributed to increase in fuels used on during ACS's construction projects, especially diesel consumption has increased 181% compared to the baseline 2023. ACS will be monitoring the fuel consumption on site during construction projects to identify any efficiencies in saving fuel and associated emissions.



The graph above shows the Scope 3 emissions covering categories 4,5,6 and 7 have increased by 73% between 2024 and the baseline 2023. This is largely due to the following:

- ACS's full-time employee numbers have increased and therefore resulting in higher office occupancy levels and employee commuting emissions.
- Emissions associated with Scope 3 Category 4 has increased between 2023 and 2024 primarily due to a change in calculation methodology. Activity-based data was used in 2023, whereas spend-based estimation methodology was applied in 2024 due to resource and data availability constraints. As a result, year-on-year comparability for this category is limited. ACS is reviewing this change currently and will be collecting activity-based data in future years to keep a consistent calculation methodology to reduce emissions and get it in line with the target trajectory.

Carbon Reduction Projects

Completed Carbon Reduction Initiatives

The following environmental management measures and projects have been implemented since the 2023 baseline reporting period. These activities have focused on strengthening HSE management systems, improving environmental governance, and enhancing the quality and consistency of greenhouse gas data collection and reporting processes.

Measures implemented include the ongoing review and management of HSE systems aligned with ISO 14001 and ISO 45001 requirements, improved site environmental and waste management processes, enhanced subcontractor and risk assessment procedures, workforce training and engagement, KPI reporting, and the use of digital and software-based platforms to improve environmental reporting and data quality.

In February 2025, the organisation also transitioned to a 100% renewable electricity contract at its Lansdowne House office, reducing Scope 2 emissions associated with purchased electricity from the point of implementation. This initiative forms part of the organisation's wider environmental improvement activities and will be reflected in future emissions reporting periods.

Whilst these measures have improved ACS's environmental management capability and emissions reporting processes, they have not yet resulted in a material reduction in reported greenhouse gas emissions against the 2023 baseline. These measures will remain in effect during the performance of the contract and its impact on reducing GHG emissions will be monitored.

Future carbon reduction initiatives

In addition to the measures already implemented, ACS plans to further develop and enhance its carbon reduction strategy through the following initiatives:

- Scope 1 and 2 carbon emissions
    - Transition to 100% renewable electricity supply across all office locations, supported by Renewable Energy Guarantee of Origin (REGO) certification.
    - Provide staff training to improve fuel-efficient driving techniques and reduce fuel consumption.
    - Review the vehicle procurement strategy and progressively transition fleet vehicles to electric vehicles (EVs) where operationally and commercially feasible, in line with contract renewal cycles.
    - Explore the implementation of energy audits across office premises to identify further efficiency and decarbonisation opportunities.
- Scope 3 emissions
    - Upstream transportation and distribution

        - Increase procurement of local suppliers where feasible to reduce emissions associated with the transportation of goods and services to offices and project sites.
    - Employee commuting
        - Encourage the use of low-carbon transport options where practicable.
        - Investigate the introduction of a cycle-to-work scheme for office-based staff and an electric vehicle salary sacrifice scheme for site-based staff.
    - Business travel
        - Encourage the use of lower-carbon travel options where feasible to reduce emissions associated with business travel.
        - Minimise overnight hotel stays where operational requirements allow.
    - Waste
        - Develop and enhance office and project waste management strategies to reduce waste generation and increase diversion from landfill where practicable.

Declaration and Sign Off

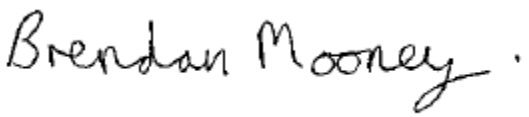
This Carbon Reduction Plan has been completed in accordance with PPN 006 and associated guidance and reporting standards for Carbon Reduction Plans.

Emissions have been reported and recorded in accordance with the published reporting standard for Carbon Reduction Plans and the GHG Reporting Protocol corporate standard[1] and uses the appropriate Government emission conversion factors for greenhouse gas company reporting[2].

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[3].

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

Signed on behalf of ACS Construction Group Ltd:



Designation: Brendan Mooney, Managing Director

Date: 27 March 2026

[1] https://ghgprotocol.org/corporate-standard
[2] https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting
[3] https://ghgprotocol.org/standards/scope-3-standard