

CARBON REDUCTION PLAN

APRIL 2022



WALTERLILLY

1924

COMMITMENT TO ACHIEVING NET ZERO

This Carbon Reduction Plan has been prepared by Scotch Partners LLP on behalf of Walter Lilly in line with the requirements of Procurement Policy Note PPN06/21; “Taking Account of Carbon Reduction Plans in the procurement of major government contracts”, published in June 2021 and the supporting “Technical standard for the Completion of Carbon Reduction Plans”.

In 2019, the UK became the first major economy to adopt a legal commitment to achieve ‘Net Zero’ carbon emissions by 2050. To support this, the Government Commercial Function has developed a new commercial policy measure for all central government departments and arm’s length bodies. This measure requires suppliers bidding for major government contracts to commit to achieving Net Zero by 2050 and publish a ‘Carbon Reduction Plan’.

This Carbon Reduction Plan (CRP) has been prepared by Scotch Partners LLP on behalf of Walter Lilly in support of their commitment to achieve Net Zero Carbon emissions by 2040 for Scope 1 and 2 Emissions and Net Zero Carbon by 2050 for Scope 3 Emissions. To achieve this goal, immediate reduction of carbon emissions will be required across their Scope 1, Scope 2 and Scope 3 carbon emission. The current carbon footprint accounts for carbon emissions over which Walter Lilly has operational control.

Using the Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standard, the emissions have been calculated for the baseline year of October 2020 – October 2021. Current emissions reporting has been given for the year of October 2021 – March 2022, this provides the first comparable data to track progress in carbon emissions reductions.

This CRP will be updated regularly (at least annually) and published and clearly signposted on the Walter Lilly website – www.walterlilly.co.uk.

1.1 SCOPE 1, 2 AND 3 EMISSIONS

Throughout this document 'carbon' or 'carbon emissions' refers to carbon dioxide equivalent emissions, CO₂e, which includes all greenhouse gas emissions.

The boundary (i.e. which sources of emission will be covered by the baseline) has been pre-defined by the government's new Procurement Policy Note 06/21 and must include Scope 1 and 2 emissions, and some emissions from Scope 3.

The GHG Protocol distinguishes between the emission types via three distinct 'scopes':

Scope 1: Direct Emissions

Direct emissions are from sources owned or controlled by the reporting organisation. This includes from the burning of fuel, fugitive emissions and chemical processes.

Scope 2: Indirect Emissions

Indirect emissions are from sources owned or controlled by a third party, but consumed by the reporting company. Under Scope 2, these are indirect emissions from the use of electricity and steam. These emissions physically occur at the facility where the electricity or steam is generated.

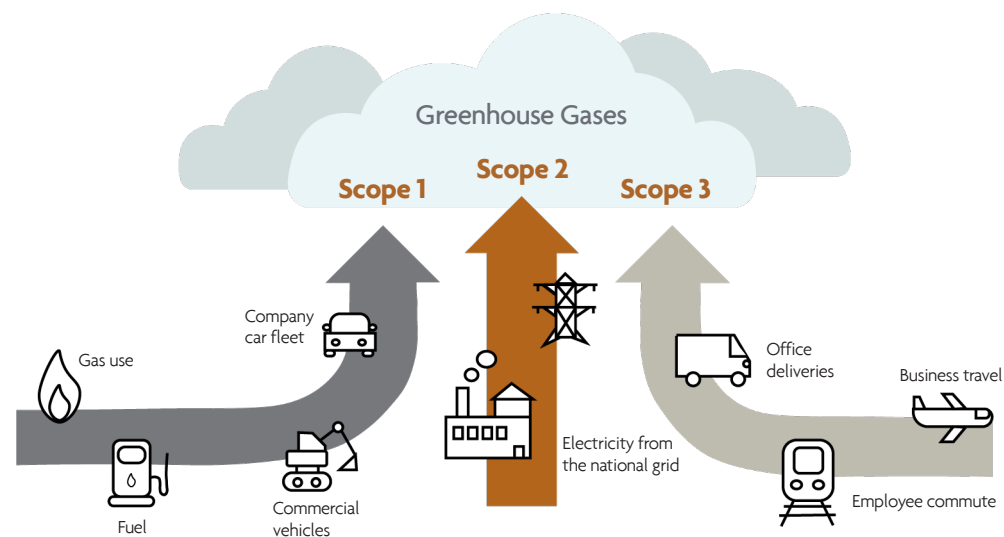
Scope 3: Other Indirect Emissions

The indirect emissions under Scope 3 are those that are a consequence of the activities of the reporting organisation, but are from sources not controlled or owned by the company.

Scope 3 emissions represent up to 80% of any organisation's carbon emissions. There are 15 categories of Scope 3 emissions defined by the GHG Protocol. For the purpose of this CRP, the emissions of the following four categories have been detailed:

- Upstream transportation and distribution
- Waste generated in operations
- Business travel
- Employee commuting

Please note, downstream transportation and distribution emissions are not applicable to Walter Lilly and as such have not been included in the emissions calculation and associated CRP.





1.2 PRINCIPLES OF GHG ACCOUNTING

As outlined within the GHG Protocol and ENCORDER Construction CO₂e Measurement Protocol, Walter Lilly is committed to following these key principles when reporting emissions:

Relevance

Walter Lilly will ensure the GHG inventory appropriately reflects their GHG emissions and serves the decision-making needs of users of the data – both internal and external to the company.

Completeness

Walter Lilly will account for and report on all GHG emission sources and activities within the chosen boundaries. Any key exclusions will be disclosed and justified.

Consistency

Walter Lilly will use consistent methodologies to allow for meaningful comparisons of emissions over time. Any changes to the data, inventory boundary, methods, or any other relevant factors in the time series will be transparently documented.

Transparency

Walter Lilly will address all relevant issues in a factual and coherent manner, based on a clear audit trail. Any relevant assumptions will be disclosed and appropriate references to the accounting and calculation methodologies and data sources used will be provided.

Accuracy

Walter Lilly will ensure that the quantification of GHG emissions is systematically neither over nor under actual emissions, and that uncertainties are reduced as far as practicable. Sufficient accuracy will be achieved to enable users to make decisions with reasonable assurance as to the integrity of the reported information.

1.3 COVID-19 IMPACTS

It is important to take note of the impact of the Covid-19 pandemic on the production of 'baseline year' carbon emissions data.

For example, Scope 3 Employee commuting emissions will have been impacted by the reduction in travel to the workplace due to the pandemic. Similarly, Scope 1 Stationary combustion emissions would have been impacted by the reduction of use of office space over the baseline year.

OUR STRATEGIC AIMS

In line with the government's new Procurement Policy Note 06/21, the entire bidding entity of Walter Lilly is committed to achieving Net Zero by 2050. This is consistent with the UK Government's commitment under the Climate Change Act, and will play a significant role in the decarbonisation of the UK as a whole.

The Net Zero goal will be achieved for all UK operations. Net Zero requires a reduction in emissions and (if necessary) that any emissions generated are balanced by schemes to offset an equivalent amount of greenhouse gases from the atmosphere, such as planting trees or using technology like carbon capture and storage.

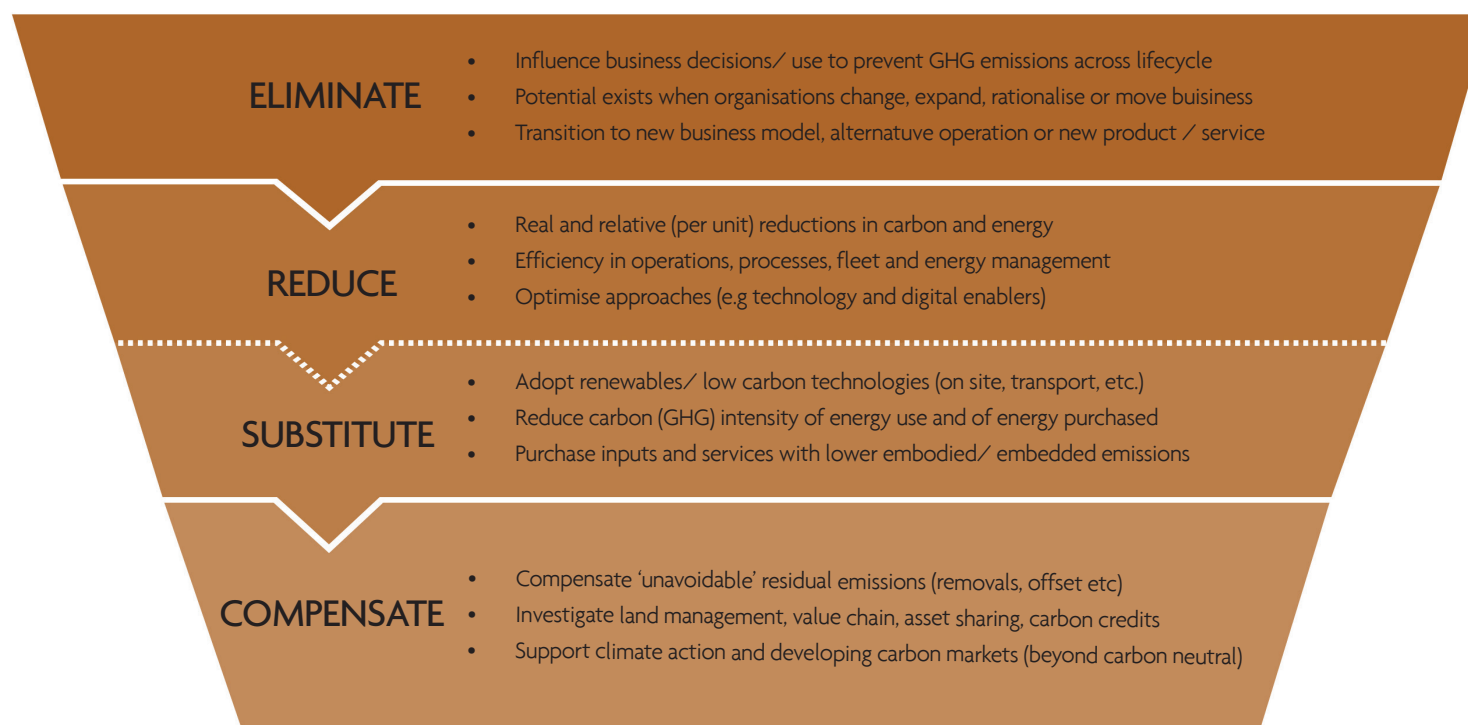


Figure 1 IEMA Greenhouse Gas Management Hierarchy (2020)



To ensure long-term success of the business, manage risk, drive efficiencies, and offer the best value to clients, the following carbon management and reduction measures have been implemented or planned as part of achieving Walter Lilly's strategic aims:

2.1 Completed Carbon Reduction Initiatives:

The following initiatives have been adopted prior to establishing a baseline carbon footprint:

- 95% of waste diversion from landfill by end of 2021 (note we are at 98%)
- All company car lists to have 'all electric' & 'hybrid' options
- 100% Green Tariff (renewable) Energy purchased by 2022 Comply with the Mayor of London SPG 'The Control of Dust and Emissions during Construction and Demolition', July 2014 - All Non Road Mobile Machinery (NRMM) used on our construction sites will be required to meet Stage IIIB of the Directive as a minimum. We shall meet Stage IV of the Directive as a minimum within the Central Activity Zone or Canary Wharf.

2.2 Planned Future Carbon Reduction Initiatives:

- All company vans will be electric during 2022
- Programme to install rapid charging points at our main office location by the end of 2022
- Provide energy efficient site lighting and site offices by the end of 2022
- Use only environmentally sustainable site hoarding by the end of 2022
- Join local schemes for repurposing site materials by the end of 2022
- Waste constitutes a large proportion of our operational emissions. To reduce this the highest emissions categories will be targeted first. This includes:
 - 100% of timber to be recycled. Where this is not possible, waste to combustion should be targeted over waste to landfill.
 - 100% cardboard and paper to be recycled.
- Ensure all opportunities to reduce waste arising from subcontractor related packaging are implemented e.g. reject excessive packaging and request its return to the supplier to be implemented by the end of 2022
- Energy efficient temporary electrics – always connect to mains supply rather than accept the use of generators by 2023

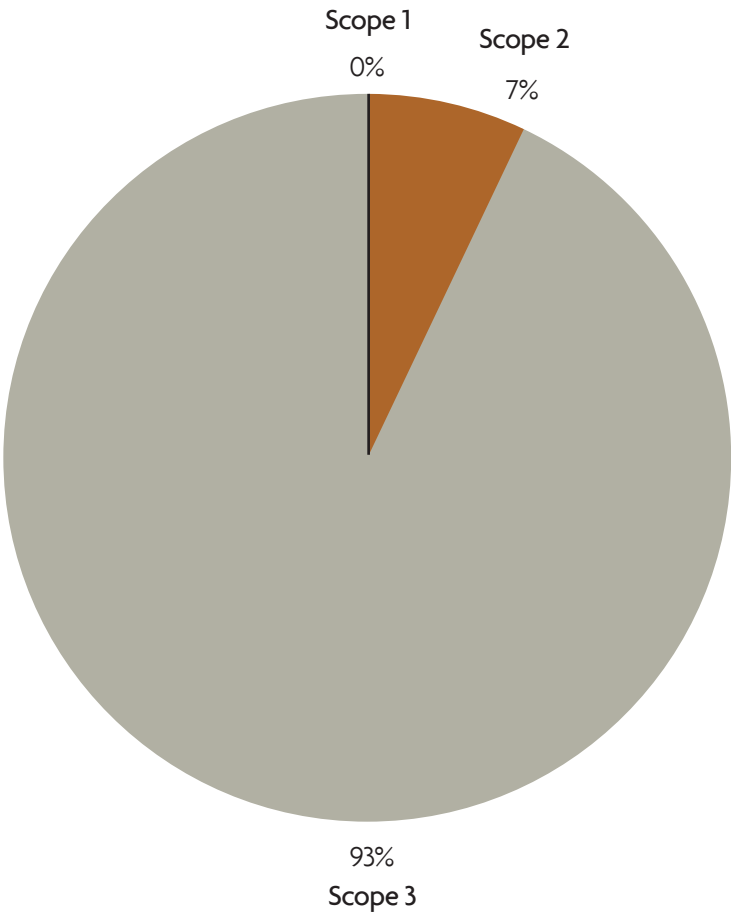
BASELINE EMISSIONS FOOTPRINT

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: October 2020 – September 2021

Baseline Year Emissions: 12,986.98 tCO₂e

| Emissions Scope | Total Equivalent CO ₂ emissions (tCO ₂ e) |
|-----------------|---|
| ■ Scope 1 | 5.61 |
| ■ Scope 2 | 912.44 |
| ■ Scope 3 | 12,068.93 |
| Total | 12,986.98 |



PROGRESS AGAINST TARGETS

In order to progress to achieving Net Zero, carbon reduction targets will be established.

A projected carbon emissions decrease over the next five years will be given according to the carbon emissions produced in the first year of emissions reporting after the baseline year.

Graphs will be included, providing a visual representation of the required emissions reductions for each future reporting year up until 2050. Achieving these projected emissions reductions will ensure that Walter Lilly's goal of Net Zero Scope 1 and 2 emissions by 2040, and Scope 3 by 2050 is achieved.



DECLARATION & SIGN OFF

This CRP has been completed in accordance with PPN 06/21 and associated guidance and reporting standard for CRPs.

Emissions have been reported and recorded in accordance with the published reporting standard for CRPs and the GHG Reporting Protocol corporate standard 7 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 CRPs and the Corporate Value Chain (Scope 3) Standard.

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

Signed on behalf of Walter Lilly:



Date:

14 / 04 / 2022



Walter Lilly is proud to be signatories of the Contractors
Declare Statement for Climate and Biodiversity Emergency
www.contractorsdeclare.co.uk

