



McLaughlin & Harvey



Net Zero/2030

Pathway to Progress & Performance

A Statement from our Group Chief Executive



In delivering the facilities and infrastructure we need to live and thrive while employing millions of people, the UK construction industry is a major contributor to

society. However, the industry is also a significant contributor to climate change emissions and resource consumption; 40% of all UK emissions are construction related, while half of all natural resource extraction produces the materials we use. In a year which has seen huge global collaboration, climate change collaboration on the full life cycle of the built environment is required to reduce both direct emissions and embodied carbon.

Emissions reduction targets

are nothing new; companies have been setting targets for decades, however there is clear acknowledgement that a science-based approach ensures that targets are aligned with accepted science to achieve the desired limiting effects on climate change. This is the foundation of our Net Zero Strategy.

Our commitment to Net Zero as signatories to the UK Contractors Declare Initiative demonstrates the responsibility we feel at McLaughlin & Harvey for our

share of the industry's carbon emissions. To combat climate change, we are committed to adapting our business to support a UK low carbon economy and will achieve Net Zero by 2030 while reducing annual emissions.

Philip Cheevers

Group Chief Executive



Governance and Process

Delivery of our Net Zero commitment is a business-wide responsibility, from the Board of Directors through our pre-construction and project delivery teams and our supply chain.

Strategic actions and requirements will be a key consideration in our decision making, procurement and training processes.

Objectives

- Drive Low Carbon UK Economy
- Net Zero by 2030

Actions

- Multi-discipline Group Energy & Emissions Management Group established
- Set annual and medium-term targets on defined trajectory to Net Zero
- Report annually in line with legal requirements and Company Sustainability Strategy
- Achieve certification to ISO14064
- Certified Net Zero awareness training for all staff/project teams
- Contribute to industry forums and data collaboration

Investment

Investing in our built asset energy efficiency including the use of renewable or low carbon technologies will help to improve our overall energy efficiency performance.

We will also support academic research in the development of new greener energy solutions while mitigating our absolute emissions by investing in projects which sequester carbon and improve biodiversity.

Objectives

- Asset energy efficiency improvements
- Investment in new technologies or research opportunities
- Software investment
- Offsetting

Actions

- Performance Improvement & Investment Fund to be established, funded in January each year by internal levy contributions paid by projects based on their carbon footprint for the previous year including embodied carbon in wasted materials
- Investment in technology/innovation which improves asset performance
- Influencing design and materials selection decisions by investing in Life Cycle software and linking this to our BIM Level 2 certification, providing clients with better building information and performance data



Energy & Managed Emissions Reduction

Decarbonisation is at the core of our strategy, and a key consideration for a low carbon economy.

We have science-based targets behind our strategy, recognising the climate predictions of failing to act now.

We will adapt these targets based on evolving science or commitments, such as those resulting from COP26 for example.

Objectives

- Reduced emissions across all Scopes
- Resource efficient

Actions

- All Company Offices/workshops to have an energy performance assessment and consumption target
- All Company Offices/workshops to be powered/heated by Zero Emission or Renewable supplies compliant with Renewable Energy Guarantee of Origin Scheme (REGO)
- Project-specific emissions targets to be set
- Use of cleaner fuels/biodiesels and/or hybrid generators
- Resource Efficiency; lean procurement, forecasting and reducing waste production and optimal water consumption
- Assess use of on-site renewables
- Enhanced use of E-Meeting platforms
- Managed working arrangements



Certified Offset

Our ultimate objective is to avoid using carbon offsetting, and for the requirement to do so to deplete annually based on the success of our other strategic actions.

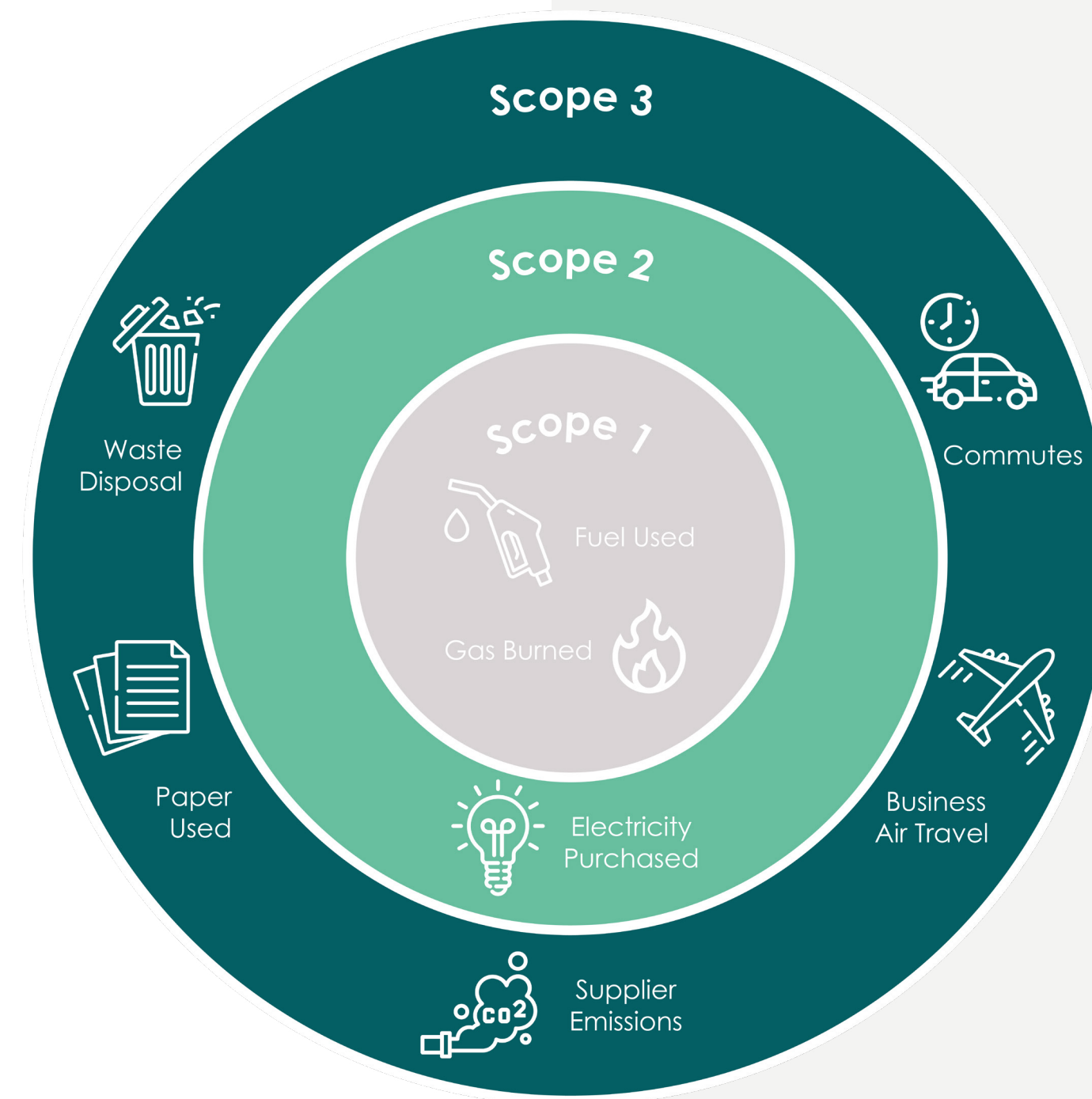
Carbon offsetting can be an important mechanism in mitigating climate change, but only if managed properly. The availability, transparency, validity and verification of offsetting credits will become more challenging as Net Zero commitment timelines loom closer within the industry.

Objectives

- Mitigation of operational carbon emissions

Actions

- Use of Certified Offset Projects based in the UK
- Internationally certified projects will only be assessed where no UK project having sufficient capacity is available



Measurement, Reporting & Verification

Measurement & Verification (M&V) is the term used when quantifying the energy and emissions savings we will achieve through the implementation of our Net Zero strategy.

We will ensure our emissions and reduction claims are verified via external audit prior to annual publication.

Objectives

- Independently audited and verified carbon performance measurement;
- Certified Net Zero;
- Support transparent industry reporting to improve use of carbon data

Actions

- Continued robust internal monthly reporting
- Formal post-project completion report including full carbon footprint
- Compliance with current industry building performance standards to be demonstrated upon project completion e.g. Passivhaus, BREEAM, LEED etc.
- Continue to develop ISO14001 and ISO50001 certifications while attaining certification to ISO14064
- Certified annual Carbon Performance via external audit;
- SECR Reporting
- External stakeholder sustainability reporting



Energy Hierarchy

The Energy Hierarchy is a classification of energy priorities aimed at developing a more sustainable energy and emissions management system.

The highest priorities cover both behavioural change and the prevention of unnecessary energy usage both through eliminating energy leakage and improving energy efficiency. The sustainable production of energy resources is the next priority. Use of depletive and emissions-intense energy generation options should be considered as a last resort.

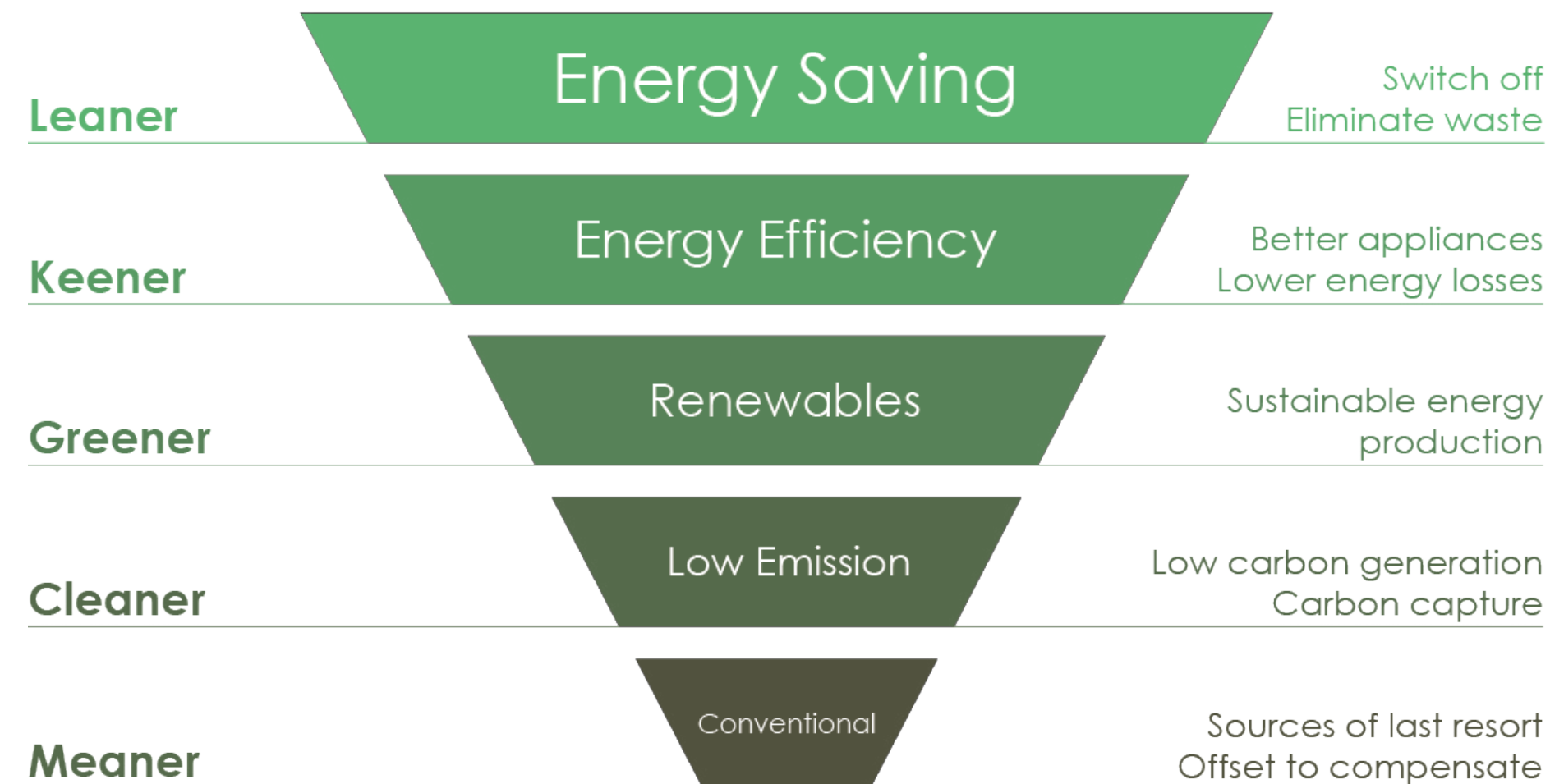
Energy Saving. Energy conservation and prevention of use is our top priority. Energy wastage should be eliminated through lighting and heating efficiencies and improvements. Effective insulation and air tightness of our built assets can improve our energy conservation performance.

Energy Efficiency. Energy efficiency relates to the performance of our building systems when compared to the energy consumed. Optimisation of building performance improves both energy efficiency and savings.

Renewables. These energy sources are collected from sources which are naturally replenished. These include sources of energy such as sunlight, tidal energy and wind, and can also include others such as geothermal heat.

Low Emission. These energy sources have a low environmental impact, but are not wholly sustainable in their own right. These sources include nuclear energy as it produces very low carbon emissions, and the use of fossil fuels which are accompanied by carbon capture or carbon sequestration.

Conventional. Unsustainable use of fossil fuels makes these emissions the lowest priority option. Accepted climate science and improved international awareness of the impact such emissions are having globally means there is now real impetus in ensuring the use of such sources must decline.



Action Plan

ACTION	SCOPE	IMPACT	OWNER	SPECIFICALLY	WHEN	NOTES
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Strategy to be approved by Board	All	Positive	Business	Board	Jan 2021	Required prior to internal and external communication of Strategy.
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Certificated Staff Carbon Awareness Training	All	Positive	Energy & Emissions Management Group	HR	Apr 2021	Nationally recognised training developed by The Carbon Literacy Trust, delivered in partnership with Keep Scotland Beautiful and Business in the Community Northern Ireland.
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Branded animation/video on Carbon/Climate Change	All	Positive	Energy & Emissions Management Group	Environment Team	Q1	Awareness video/animation for use in site inductions, internal/subcontractor training or school visits.
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Submit Streamlined Energy & Carbon Report to Companies House	All	Legal	Energy & Emissions Management Group	Finance	Q1	New legal requirement from 2021.
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ACTION	SCOPE	IMPACT	OWNER	SPECIFICALLY	WHEN	NOTES
Achieve certification to ISO14064-1	All	Leaner	Energy & Emissions Management Group	Environment Team	Q1; retain each subsequent year	International Whole Carbon Management Standard.
Set Trajectory Targets for Sectoral Decarbonisation Compliance with Paris Protocol 1.5C Requirement	All	Leaner	Energy & Emissions Management Group	Group / Achilles	Q1; retain each subsequent year	Aligned annually to science-based objectives via ISO14064 certification.
All Company offices/workshops to be powered/heated by zero emission renewable tariffs	1 + 2	Greener	Energy & Emissions Management Group	Group Purchasing	Q1	Use of energy supplies which comply with the Renewable Energy of Guaranteed Origin (REGO) Scheme.
All Company offices/workshops to have an energy assessment and consumption target	2	Keener	Energy & Emissions Management Group	FM	Apr 2021	Existing assets performance to be measured, with actions/reductions planned to achieve RIBA Net Zero by 2030 target of 55 kWh/m2/year.



ACTION	SCOPE	IMPACT	OWNER	SPECIFICALLY	WHEN	NOTES
Installation of Electric Vehicle Charging Points at Offices	1 + 3	Cleaner	Energy & Emissions Management Group	FM	Q1	To support hybrid/zero emission Company fleet or staff vehicles.
Consider alternative fuels to conventional diesel	1	Cleaner	Energy & Emissions Management Group	Group Purchasing	Ongoing	To reduce direct Scope 1 emissions from plant/machinery.
Formal Completed Project Environmental Report	All	Leaner	Environment Team	Project Advisor	Ongoing	Each completed project will have a one-page report produced covering key environmental metrics and overall performance.
Performance Improvement & Emissions Offsetting Budget	All	Meaner	Energy & Emissions Management Group	Finance/Accounts	Ongoing; first levy payable in Jan 2022	Internal fund financed either centrally or by projects paying £15 per tonne for emitted CO2 on an annual basis. Managed by the Emissions Management Group for performance improvement investments or offset measures.



ACTION	SCOPE	IMPACT	OWNER	SPECIFICALLY	WHEN	NOTES
Certificated National & International Offset Credits for Certified Projects	All	Meaner	Energy & Emissions Management Group	Whole Group	Ongoing, but completed by Q2 each year	Only certified emissions offsets are compliant under ISO14064. Preference will be given to certified UK schemes unless credit capacity means International schemes need considered.
Enhanced use of Meeting platforms such as Teams	3	Cleaner	Business	Board	Ongoing	To minimise the need for routine meetings to be held face to face; reduces Scope 3 travel emissions.
Flexible working options for staff; Home Office	3	Cleaner	Business	Board	Q1	Reduces Scope 3 emissions from commuting and business mileage.



Commitment Pathway / Timeline





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