WILLMOTT DIXON
SINCE 1852

NOW OR NEVER

Carbon Reduction Plan

Reporting Year 2021

1.0
Commitment to achieving net zero

Willmott Dixon is committed to achieving net zero emissions by 2050. In addition, the company has made further commitments to go above and beyond this, as set out below.

Willmott Dixon has been carbon neutral (or net zero) in its own operations since 2012. Willmott Dixon's operations cover all Scope 1 and Scope 2 sources plus selected Scope 3 sources where the company has the greatest level of control and can report with confidence. Further information is included in the PAS 2060 carbon neutrality statement. This means that the sum of all of Willmott Dixon's operational greenhouse gas emissions (CO_2e) is offset using carbon credits.

In September 2020 Willmott Dixon launched its new sustainability strategy, *Now or Never. Our decisive decade*. Now or Never contains commitments, aligned to a 1.5°C scenario and consistent with Willmott Dixon's approved Science Based Target:

By 2030 Willmott Dixon is committed to reducing operational carbon emissions to zero without offsetting.

Willmott Dixon is the first contractor to sign up to all three of The Climate Group's initiatives: for renewable energy (RE100), electric vehicles (EV100) and energy provision (EP100). These initiatives are a public commitment to achieving a 100% electric vehicle fleet and procuring 100% renewable electricity by 2030.

They also commit companies to occupying and developing buildings that operate at net zero carbon emissions by 2030. Willmott Dixon recognises that delivering buildings that improve people's lives and leave a legacy for customers, their communities and future generations is key.

By 2030 Willmott Dixon commits that all new buildings and major refurbishments will achieve net zero operational carbon.

For Scope 3 emissions, in line with Science Based Target requirements, Willmott Dixon is focused on reducing emissions from the goods and services that it purchases from its supply chain, which makes up a significant part of its carbon footprint. Willmott Dixon is also committed to eliminating all avoidable waste. Relevant commitments contained in Now or Never are:

By the end of 2040, Willmott Dixon commits that all buildings and major refurbishments will be delivered with net zero embodied carbon.

By 2030 Willmott Dixon is committed to eliminating all avoidable waste from the demolition, excavation and construction phases of projects.

By the end of 2040, our supply chain will achieve net zero operational carbon.

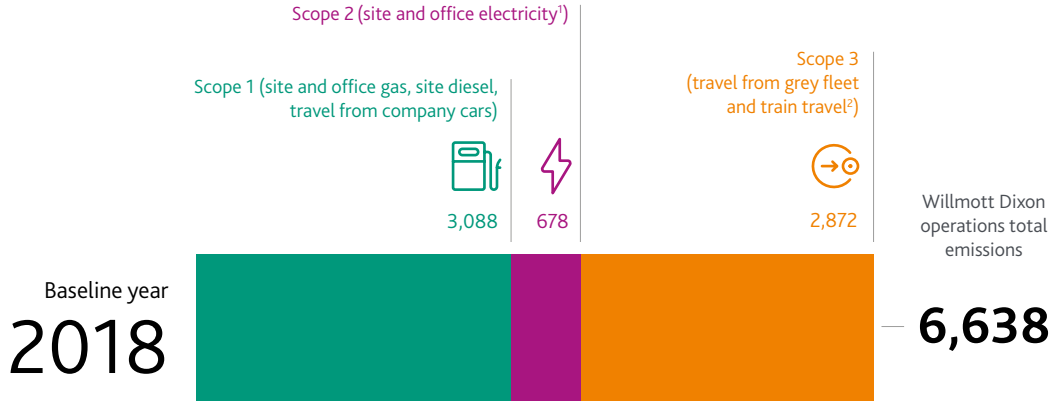
100%

electric vehicle fleet and procuring 100% renewable electricity by 2030

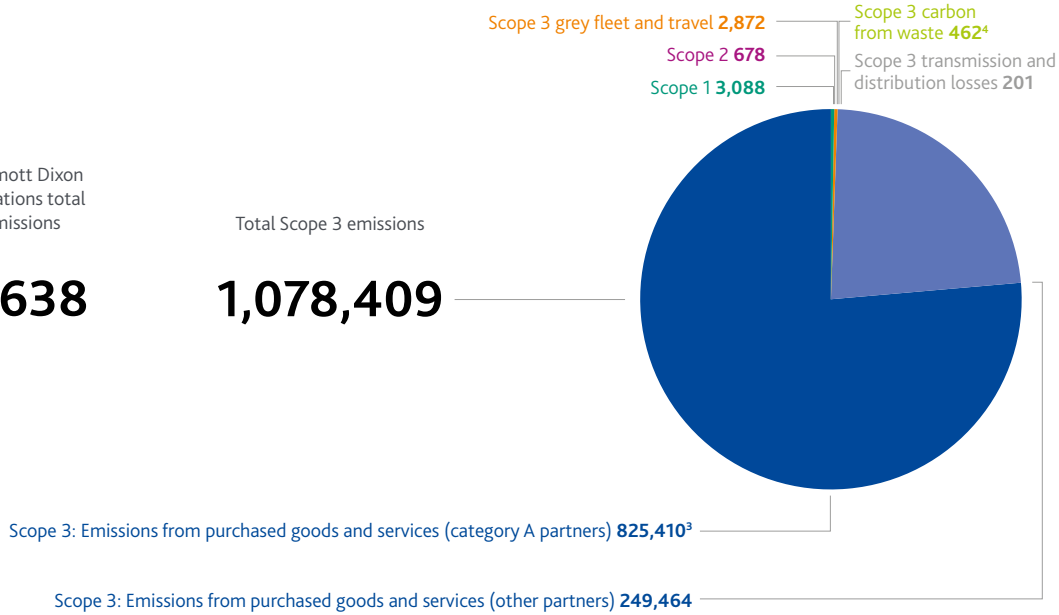
2.0 Baseline emissions footprint

Baseline emissions 2018

Willmott Dixon operational emissions (tCO_2e)



Willmott Dixon emissions by scope (tCO_2e)



Baseline emissions are a record of the greenhouse gases produced in the past, prior to the introduction of any strategies to reduce emissions. Baseline emissions are the reference point against which emissions reduction can be measured. In line with Science Based Target requirements, Willmott Dixon's baseline year is 2018, as shown above and in Appendix 1. All relevant categories of Scope 3 are included in the baseline (see Appendix 2) and in addition, purchased goods and services from the supply chain have been included because these are the most significant source of Scope 3 emissions and the focus of the Science Based Target.

[1] Emissions from electricity use the market-based methodology to convert kWh to carbon.

[2] Willmott Dixon has opted to include some additional Scope 3 emissions in the 2030 target to reduce operational emissions to zero.

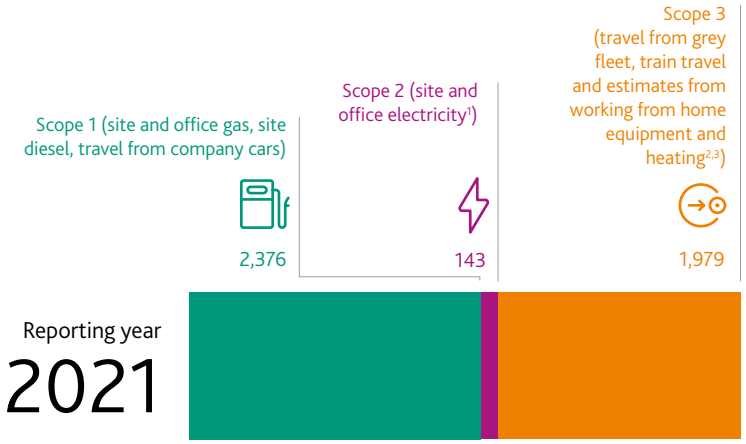
[3] The footprint from purchased goods and services from category A suppliers makes up at least two thirds of Scope 3 emissions and is the focus of the Science Based Target. Emissions from upstream transportation and distribution are included within this figure.

[4] Including wastewater.

3.0 Current emissions reporting

Current emissions: Reporting year 2021

Willmott Dixon operational emissions (tCO_2e)



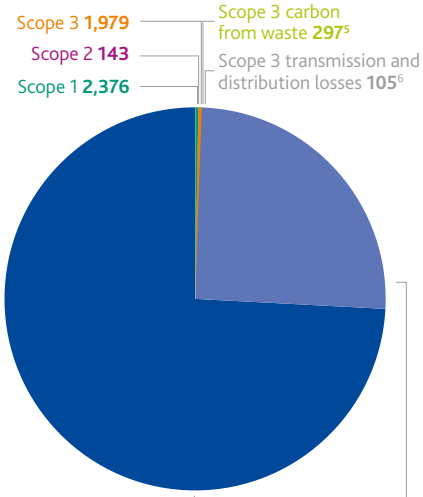
Willmott Dixon operations total emissions

4,499

Total Scope 3 emissions

1,009,722

Willmott Dixon emissions by scope (tCO_2e)



Scope 3: Emissions from purchased goods and services (category A partners) **749,803**[4]

Scope 3: Emissions from purchased goods and services (other partners) **257,537**

For further information on Willmott Dixon's emissions, including Streamlined Energy and Carbon Reporting (SECR) compliance, **please see the annual Sustainable Development Review on the website.**

For more information, please see Appendices 1 and 2.

[1]Emissions from electricity use the market-based methodology to convert kWh to carbon.

[2] Willmott Dixon has opted to include some additional Scope 3 emissions in the 2030 target to reduce operational emissions to zero.

[3]Estimates from working from home emissions were only introduced in 2020 when people started to work from home.

[4]The footprint from purchased goods and services from category A suppliers makes up at least two thirds of scope 3 emissions and is the focus of the Science Based Target. Emissions from upstream transportation and distribution are included within this figure.

[5]Including wastewater.

[6]From 2021 this includes T&D losses for electricity from electric vehicles.

4.0 Willmott Dixon operations: Emissions reduction targets

Willmott Dixon set a target to reduce the carbon intensity of its own operations by 50% per £m turnover by the end of 2020 compared to a 2010 baseline. This target was exceeded, a 66% reduction was achieved by the end of 2020. Willmott Dixon then set a zero carbon target by 2030 (without offsetting) approved by the Science Based Targets Initiative (SBTi).

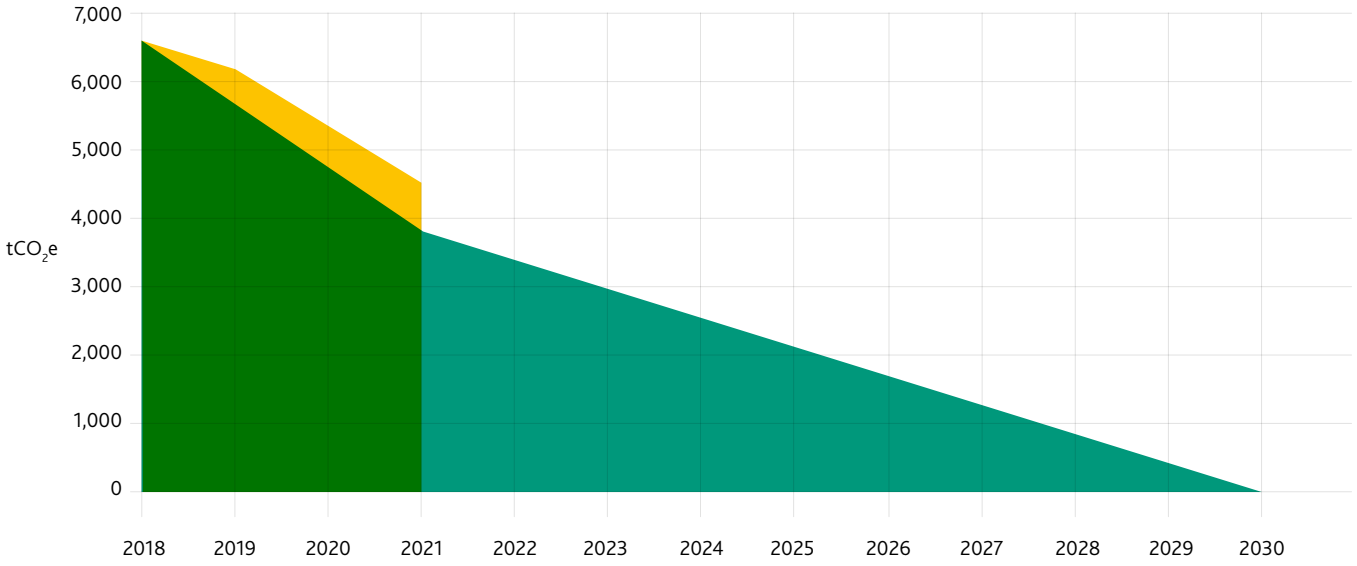
To achieve this target, Willmott Dixon has set milestones and a reduction trajectory with annual targets, as shown in the figure.

Willmott Dixon predicts that its operational carbon emissions will decrease to 2,077tCO_2e by the end of 2025. This is a reduction of 69% from a 2018 baseline. This calculation models the predicted outcomes from the carbon reduction projects that are outlined in section 5 below.

Progress against the 2030 zero carbon target can be seen in the graph, right. This is an ambitious carbon reduction trajectory, focused on maximising reductions in the early years of Now or Never.

Until emissions are reduced to zero, Willmott Dixon continues to offset its unavoidable emissions. These are offset by voluntarily investing in Gold Standard or equivalent projects overseas which reduce emissions by the same amount. All of the projects undergo a rigorous assessment to ensure that they achieve measurable and permanent reductions in emissions. Willmott Dixon self-declares its carbon neutrality according to PAS 2060 guidelines.

Progress against the 2030 zero carbon target



5.0 Willmott Dixon operations: Carbon reduction projects

Now or Never sets out Willmott Dixon's ambition to become a zero-carbon company without any offsetting by 2030. Further information on both the strategy and achievements can be found on Willmott Dixon's website.

The following environmental management measures and projects have been completed or implemented. The carbon emission reductions already achieved by these schemes equate to 2,139tCO_2e, a 32% reduction against the 2018 baseline. These reduction measures will be in place when performing the contract.

5.1 Completed carbon reduction initiatives

Carbon reduction has been a focus for Willmott Dixon since the first reduction strategy, Transforming Tomorrow, which was launched in 2013 and ran to the end of 2020. In addition to the measures implemented between 2013-2020, there has been a focus from 2021 onwards to implement processes to achieve the ambitious 2030 zero carbon target.

Initiative	Implemented
Carbon management	
Certification to ISO 14001:2015 (recertified to 2015 standard in 2016)	2012
Certification to the Carbon Trust Standard (achieved best in sector in 2019-2020)	2015
Transport	
Green bonuses for choosing more fuel-efficient vehicles	2007
Generous car share reimbursement	2012
Bicycle mileage reimbursement	2013
Public transport commute mileage at the same rate as car commute mileage	2015
Salary sacrifice scheme to support people to get low-carbon lease cars. This is capped so only efficient cars are allowed and highly incentivises electric vehicles	2021
Refreshed green bonus to increase focus on zero-emission vehicles	2021
Partnership with Rolec to support the requirement for electric charging points at all offices and construction sites	2021
Homeworking allowance and funding for home office furniture to support a new agile working policy	2021
Penalties for the most-polluting grey-fleet cars (which can no longer claim business mileage)	2021
Construction sites	
Focusing on early grid connections to construction sites to limit the amount of on-site diesel used	2011
Improving site cabin set-ups including eco-cabins, electrical zoning, out-of-hours mains switches and increased use of LED lighting	2011
Promoting the use of hybrid generators where on-site diesel use cannot be avoided	2015
Trials of electrical equipment	2020
Hybrid generators mandatory – the only type of generator allowed on sites	2021
Use of HVO fuel (which emits 10 times less carbon than mineral diesel oil)	2021
Implementation of a new standard set-up for all site cabins	2021
Energy procurement	
All directly procured electricity for offices and sites is 100% natural, renewable electricity	2018
Use of greener electricity suppliers who can demonstrate additionality in their supply	2020

Willmott Dixon operations: Carbon reduction projects

5.2 Future carbon reduction initiatives

Willmott Dixon maintains a forward plan of emissions reduction projects and interventions, which are reviewed and amended on an annual basis. These include:

Transport – Further roll-out of electric vehicle charging points at construction sites and offices. Development of a project mileage calculator and resource planning tools to promote mileage reduction.

Construction plant and machinery – Ongoing research of electric plant options and alternatives to using diesel on construction sites. This will include pilot projects to deliver fossil fuel free sites.

Site cabins – A target to reduce site cabin energy by 65% by 2030 and research into automated monitoring to support this.

Energy procurement – An ongoing commitment to procuring 100% natural renewable electricity and seeking greener electricity suppliers who can demonstrate additionality in their supply.

6.0
Scope 3: Emissions reduction targets

Willmott Dixon has set the following emissions reduction target, which has been approved by the Science Based Targets Initiative:

Willmott Dixon commits to reduce absolute Scope 3 Greenhouse Gas emissions from purchased goods and services 55% by 2030 and 100% by 2040, from a 2018 base year.*

* This covers at least two-thirds of Scope 3 emissions which is in line with SBTi validation criteria, which states that Scope 3 targets must cover at least two-thirds of total mandatory Scope 3 emissions (as defined in Table 5.4 of the Greenhouse Gas Protocol Scope 3 Standard).

It is not yet possible to show a reduction over time graph for Scope 3 emissions. Work is ongoing to gather accurate data from the supply chain. The current data relies on proxy carbon values and is therefore reliant on the amount spent within different elements of the supply chain. It is not sensitive enough to be able to demonstrate where reductions have occurred. Gathering this data is the first step. Further information is provided in our Sustainable Development review here.

7.0 Scope 3: Carbon reduction projects

7.1 Completed carbon reduction initiatives

Now or Never sets out the company's ambitions to deliver buildings and major refurbishments with net zero embodied carbon and to achieve a net zero operational carbon supply chain. Further information on both the strategy and achievements can be found on the Willmott Dixon website.

The following measures and projects have been completed or are being implemented. These reduction measures will be in place when performing the contract:

Carbon Trust Supply Chain Standard – Following extensive work in 2020, in March 2021, Willmott Dixon became the first contractor, and one of only three companies globally, to achieve Level 3 of the Carbon Trust's Supply Chain Standard. The Standard recognises organisations which can demonstrate they are measuring, managing and reducing carbon emissions from their supply chains.

Supply Chain Sustainability School – Willmott Dixon is a founding member of the Supply Chain Sustainability School. This virtual school provides free training on a range of environmental and social value topics for the industry's shared supply chain. The school comprises more than 5,000 subcontractors. At the end of 2021, 147 companies in Willmott Dixon's supply chain were members of the school: 29 are gold members, 58 silver and 10 bronze. In 2021, Willmott Dixon was part of the School's Climate Action Group which developed and launched the School's Carbon Reporting Tool. So far, 87 of Willmott Dixon's supply chain partners have submitted data to the tool.

Lifecycle assessments – Willmott Dixon has completed lifecycle carbon assessments on projects where there is early design involvement. Willmott Dixon's pre-designed Collida buildings are achieving a 20% reduction in embodied carbon, compared to the London Energy Transformation Initiative (LETI) standards.

Scope 3: Completed carbon reduction projects

7.2 **Future carbon reduction initiatives**

Going forward, further measures will be implemented, including:

- Updating the Sustainable Procurement Policy Statement and Sustainable Procurement Policy to further strengthen the company's approach to reducing emissions from supply chain partners. The policy will strengthen requirements for manufactures, goods partners and key works partners.

- Increasing the number of partners using the Supply Chain Sustainability School's Carbon Reporting Tool to calculate and record their carbon emissions.

- Creating long-term development plans for supply chain partners within the company's key trades, including targets and milestones on carbon reduction.

- Creating free-to-access bespoke learning programmes via the Supply Chain Sustainability School learning platform to upskill supply chain partners across key trades on managing carbon.

- Developing a company database of embodied carbon data to improve the whole-life carbon of projects.

- Becoming a founder member of ConcreteZero. Launched by The Climate Group, in partnership with the World Business Council for Sustainable Development and World Green Building Council, the aim of the initiative is to reach 100% net zero concrete by 2050.

- Ensuring projects adopt low-carbon concrete where viable and practicable.

- Developing guidance for our design partners and works partners on low carbon design and construction accessible via Willmott Dixon's design guides.

- Developing a baseline footprint for the company's IT cloud.

8.0
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 Greenhouse Gas 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 Streamlined Energy and Carbon Reporting (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.

Signed on behalf of the supplier

Rick Willmott, group chief executive
Date: 05/08/2022

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Appendix 1
Emissions breakdown

Baseline year: 2018

Source	Emissions (tCO_2e)	Emissions by scope (tCO_2e)	Emissions by footprint (tCO_2e)
Scope 1: Site and office gas, site diesel, site HVO	1,818	Total Scope 1 & 2 **3,766**	Operational emissions **6,638**
Scope 1: Business travel from company cars	1,270		
Scope 2: Emissions from purchased electricity[1]	678		
Scope 3: Travel from grey fleet and commuting	2,574	Total Scope 3 **1,078,409**	
Scope 3: Train travel	298		
Scope 3: Working from home equipment & heating[2]	N/A		
Scope 3: Emissions from purchased goods and services (category A partners)[3]	825,410		Supply chain emissions **1,075,336**
Scope 3: Emissions from purchased goods and services (other partners)	249,464		
Scope 3: Emissions from waste including wastewater	462		
Scope 3: Transmission and distribution losses	201		Other Scope 3 emissions **201**
Total emissions		**1,082,175**	**1,082,175**
Scope 2: Emissions from purchased electricity (location-based method & including customer-procured electricity)[4]	N/A	N/A	

[1]Includes energy directly paid for by Willmott Dixon and emissions from electricity use the market-based methodology to convert kWh to carbon.

[2]Estimates from working from home emissions were only introduced in 2020 when people started to work from home.

[3]The footprint from purchased goods and services from category A suppliers makes up at least two thirds of scope 3 emissions and is the focus of the Science Based Target. Emissions from upstream transportation and distribution are included within this figure.

[4]Prior to the implementation of the SECR Regulations, this data was not collected.

Appendix 1
Emissions breakdown

Current emissions: Reporting year 2021

Source	Emissions (tCO_2e)	Emissions by scope (tCO_2e)	Emissions by footprint (tCO_2e)
Scope 1: Site and office gas, site diesel, site HVO	1,895	Total Scope 1 & 2 **2,519**	Operational emissions **4,499**
Scope 1: Business travel from company cars	481		
Scope 2: Emissions from purchased electricity[1]	143		
Scope 3: Travel from grey fleet and commuting	1,733	Total Scope 3 **1,009,722**	
Scope 3: Train travel	76		
Scope 3: Working from home equipment & heating[2]	170		
Scope 3: Emissions from purchased goods and services (Category A partners)[3]	749,803		Supply chain emissions **1,007,637**
Scope 3: Emissions from purchased goods and services (other category partners)	257,537		
Scope 3: Emissions from waste including wastewater	297		
Scope 3: Transmission and distribution losses[4]	105		Other Scope 3 emissions **105**
Total emissions	**1,012,241**	**1,012,241**	**1,012,241**
Outside of scope emissions from HVO fuels	311	N/A	
Scope 2: Emissions from purchased electricity (location based method & including customer procured electricity)[5]	1,953	N/A	

[1]Includes energy directly paid for by Willmott Dixon and emissions from electricity use the market-based methodology to convert kWh to carbon.

[2]Estimates from working from home emissions were only introduced in 2020 when people started to work from home.

[3]The footprint from purchased goods and services from category A suppliers makes up at least two thirds of scope 3 emissions and is the focus of the Science Based Target. Emissions from upstream transportation and distribution are included within this figure.

[4]From 2021 this includes T&D losses for electricity from electric vehicles.

[5]Includes customer procured energy used on our sites. Emissions from electricity use the location-based methodology to convert kWh to carbon. This data is provided in accordance with best practice and for compliance with SECR Regulations it is not included in the footprint because the market-based method was used for footprint calculation.

Appendix 2
Scope 3 emissions

Emission source	Description	Reported
Purchased goods and services (which includes upstream transport and distribution)	Extraction, production, and transportation of goods and services purchased or acquired by the reporting company in the reporting year, not otherwise included in categories 2-8. This includes transportation and distribution of products purchased by the reporting company in the reporting year between a company's tier 1 suppliers and its own operations (in vehicles and facilities not owned or controlled by the reporting company).	**Included** In line with the Science Based Target, the Scope 3 footprint includes carbon from purchased goods and services from our category A suppliers (which makes up at least two-thirds of Scope 3 emissions). Emissions from upstream transportation and distribution are included within this figure.
Waste from operations	Disposal and treatment of waste generated in the reporting company's operations in the reporting year (in facilities not owned or controlled by the reporting company).	**Included** Disposal and treatment of construction waste and water generated by Willmott Dixon is included in the Scope 3 figure.
Business travel	Transportation of employees for business-related activities during the reporting year (in vehicles not owned or operated by the reporting company).	**Included** Car mileage is included as well as business travel via train. **Excluded** Other modes of business travel (but these account for less than 1% of the footprint).
Employee commuting	Transportation of employees between their homes and their worksites during the reporting year (in vehicles not owned or operated by the reporting company).	**Included** Commute car mileage is included as well as commuting via train.
Downstream transportation and distribution	Transportation and distribution of products sold by the reporting company in the reporting year between the reporting company's operations and the end consumer (if not paid for by the reporting company), including retail and storage (in vehicles and facilities not owned or controlled by the reporting company.	**Excluded** This is not relevant. Willmott Dixon constructs and services buildings which do not require any transportation or distribution.