

Carbon Reduction Plan

Supplier name: Farrans Construction

Publication date: 11/04/23

Commitment to achieving Net Zero

Farrans is committed to achieving Net Zero emissions by 2050.

Baseline Emissions Footprint

Our baseline emissions are a record of the greenhouse gases that have been produced during 2019, prior to the introduction of any strategies to reduce emissions. Our baseline emissions are the reference point against which emissions reduction are measured.

Baseline Year: 2019
Additional Details relating to the Baseline Emissions calculations.
Before we begin our journey towards Net Zero, it is important to know where we are, our starting point. Our carbon footprint consists of emissions in our direct control (Scope 1 and 2) and emissions that we can influence (Scope 3). Our carbon emissions are generated from our permanent premises and at various points in the construction and build of our engineering projects. Understanding where our emissions are generated enables us to focus on opportunities to make reductions. We started our journey to measure our emissions in 2019 when our baseline year commenced. Since then, we have reduced carbon emissions by changing the way we work and adapting how we operate following the covid-19 pandemic. Our initial carbon reductions have been achieved by making energy saving decisions, following analysis of our energy use across the company. We have also cut our carbon by working more efficiently through digital platforms and reducing unnecessary travel and commuting. Data is key to understanding where we are in our journey to eliminate carbon. We are actively participating in the ESOS - Energy Savings Opportunities Scheme to identify available opportunities to reduce our consumption rates through practical application of the energy hierarchy. Working with our third-party consultants we audit our energy data and submit our SECR - Streamlined Energy and Carbon Report on an annual basis to show our annual carbon emissions against our baseline year.

In the early stages on 2022 we developed a Scope 3 Roadmap, assessing the 15 GHG protocol applicable to our company.

During 2022 we had begun to voluntarily report our energy data and carbon reduction results to the Sustainability Supply Chain School and Business in the Community Climate Pledge to help our industry better understand and calculate our carbon emissions as a sector and work collectively, developing innovations for our industry.

Baseline year emissions: 2019

EMISSIONS	TOTAL (tCO ₂ e)
Scope 1	3,664 tCO ₂ e
Scope 2	329 tCO ₂ e
Scope 3(*Included sources)	885 tCO ₂ e *
Total Emissions	4,878 tCO ₂ e

*Included Sources for 2019

GHG Protocol Categories

- 3. Fuel- and Energy Related Activities
- 6. Business Travel
- 7. Employee Commuting

Current Emissions Reporting

Reporting Year: 2020

EMISSIONS	TOTAL (tCO ₂ e)
Scope 1	3,561 tCO ₂ e
Scope 2	509 tCO ₂ e
Scope 3 (Included sources*)	541 tCO ₂ e
Total Emissions	4,611 tCO ₂ e

*Included Sources for 2020

GHG Protocol Categories

- 3. Fuel- and Energy Related Activities
- 6. Business Travel
- 7. Employee Commuting

Reporting Year: 2021

EMISSIONS	TOTAL (tCO ₂ e)
Scope 1	3,272 tCO ₂ e
Scope 2	457 tCO ₂ e
Scope 3(Included sources*)	565 tCO ₂ e
Total Emissions	4,294 tCO ₂ e

*Included Sources for 2021

GHG Protocol Categories

- 6. Business Travel
- 7. Employee Commuting

5. Waste Generated in Operations

Reporting Year: 2022	
EMISSIONS	TOTAL (tCO ₂ e)
Scope 1	4,478tCO ₂ e
Scope 2	194 tCO ₂ e
Scope 3(Included sources*)	822 tCO ₂ e
Total Emissions	5,514tCO ₂ e

*Included Sources for 2022

GHG Protocol Categories

3. Fuel- and Energy Related Activities

6. Business Travel

7. Employee Commuting

5. Waste Generated in Operations

Scope 3 Emissions

Following a scope 3 road mapping exercise we have identified the 15 categories from the GHG Protocol that apply the most to our business and prioritised the categories we must report on in compliance with the PPN06/21. During 2023 we will be developing our reporting on Category 4 - Upstream transportation and distribution;

4. Upstream transportation and distribution

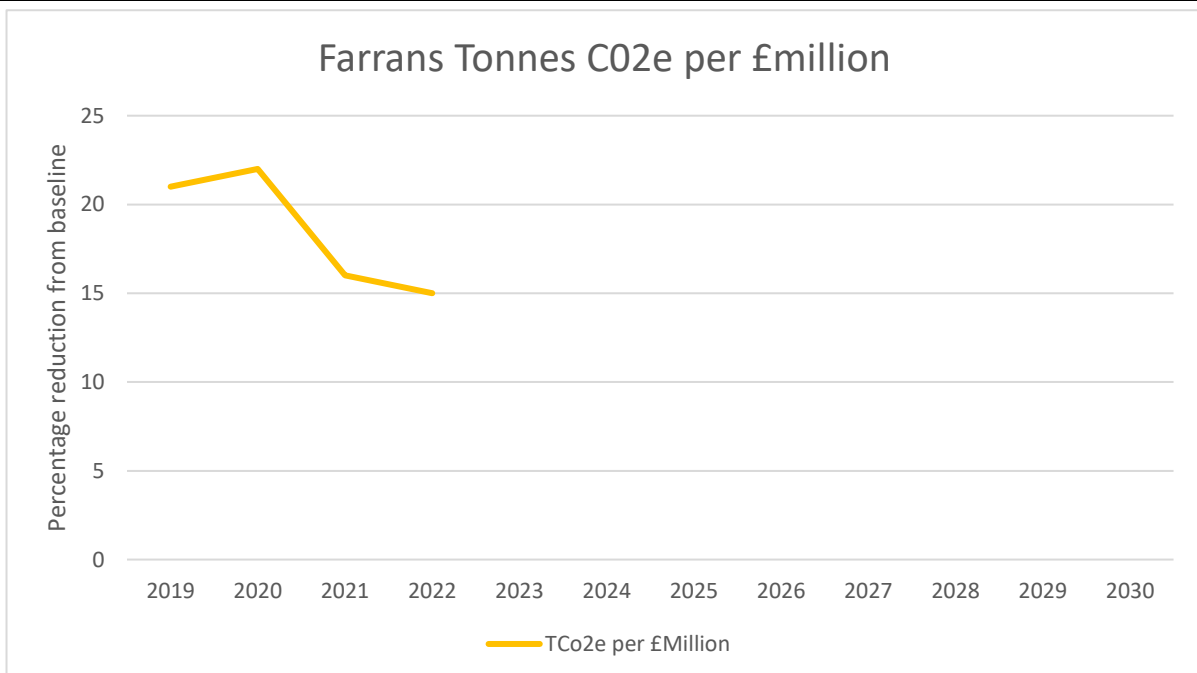
Transportation and distribution of products purchased by Farrans in the reporting year between a our tier 1 suppliers and our own operations (in vehicles and facilities not owned or controlled by Farrans) Transportation and distribution services purchased by Farrans in the reporting year, including inbound logistics, transportation and distribution between Farrans own facilities (in vehicles and facilities not owned or controlled by Farrans)

9. Downstream transportation and distribution

Our business does not have any emissions for this category and as such is exempt from our inventory.

Performance against baseline

Baseline Year 2019 vs Current Year 2022	
2019 4,878 tCO2e	2022 5,514 tCO2e
<p>The nature of the Farrans business is construction and this means that the business portfolio changes every year and tracking energy use imposes a number of challenges, for example, both the number and size of projects and the ratio of projects changes: i.e. building more roads than buildings. The more successful the business is the more energy it consumes, Farrans turnover saw an increase of 52% from our 2019 baseline.</p> <ul style="list-style-type: none"> • 2019 - 21 Tonnes of CO2e per £million turnover • 2022 - 15 Tonnes of CO2e per £million turnover <p>Farrans has put significant effort, during 2022, into understanding and improving data collation and completeness and this together with dynamic portfolio of projects explains the increase in consumption in 2022, with improved records and increased categories of Scope 3 emissions.</p> <p>Farrans have invested in hybrid generators and in solar panels for buildings and they have made a huge step to decarbonising fuel by moving to HVO.</p> <p>As explained comparisons year in year are more difficult with Farrans as the portfolio of projects is in a constant state of change. The key in 2022 has been a steady push to improved data which means that the energy used is more comprehensive and complete and this year has led to Farrans reporting staff accommodation figures, waste and capital goods under Scope Three.</p> <p>The increase of 13% in tCO2e is in part due to better data and to the mix of projects currently being undertaken, as well as Farrans workforce, which has increased by 20% over the past year. In 2023 and with support from the ESOS process routes to demonstrate energy savings will be pursued, strengthening the intensity ratios will be part of this work which might help improved indicators of energy management, choice and control.</p>	



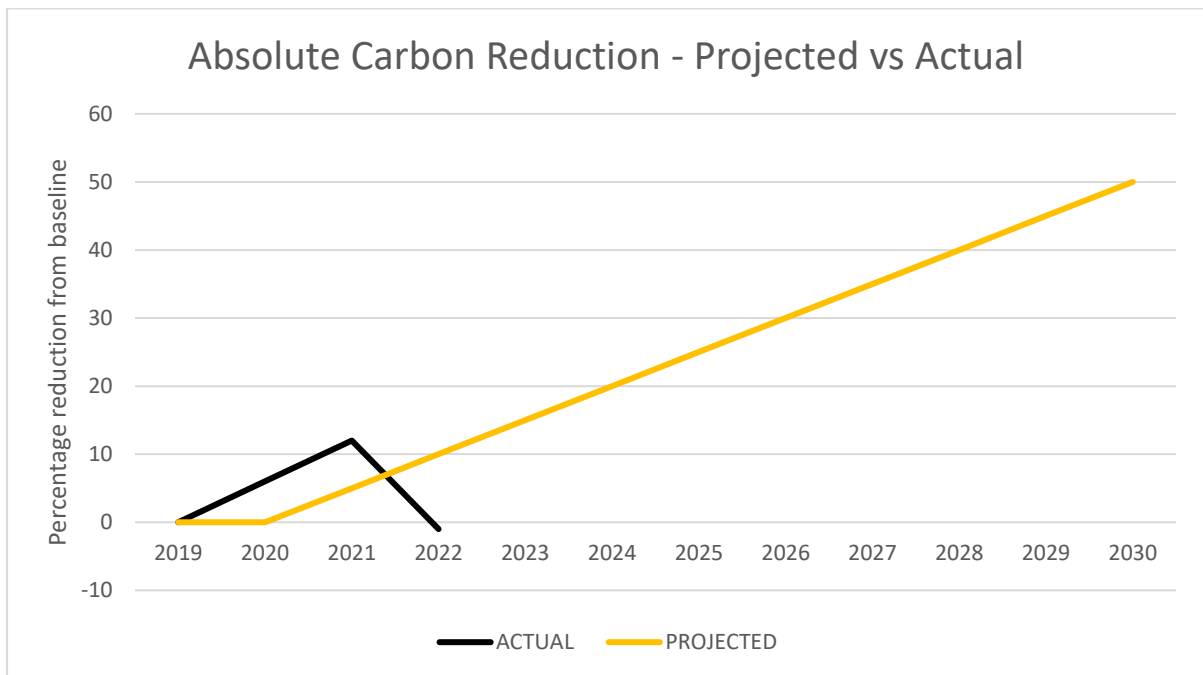
Emissions reduction targets

In order to continue our progress to achieving Net Zero, we have adopted the following carbon reduction targets.

We project that carbon emissions will decrease over the next seven years to 2,757tCO₂e by 2030.

This is a reduction of 50%

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



Carbon Reduction Projects

Completed Carbon Reduction Initiatives

We continue to implement our ISO 14001 environmental management measures and have implemented energy reduction projects i.e., LED/ PIR installation, TRV valves, decreased generators sizes, electric vehicle charging points since our 2019 baseline. Our carbon reductions have been achieved by making better energy saving decisions, following analysis of our energy use across the company. We have also cut our carbon by working more efficiently through digital platforms and reducing unnecessary travel and commuting with a change of company policy to facilitate more flexible working arrangements.

The carbon emission reduction achieved by these schemes in 2021 equates to 593tCO₂e, a 12% reduction against the 2019 baseline and the measures will be in effect when performing the contract.

We have set ourselves some tough future targets to deliver on our long-term commitments to design out CO₂ in our projects, reduce embodied CO₂ in our materials and supply chain, eliminate operational CO₂ and contribute to climate positivity through partnership programmes.

- 50% Reduction in CO₂ Scope 1 and 2 by 2030.
- Net Zero 10 years early, by committing to the Climate Pledge. By 2040 we aim to be Net Zero in our Scope 1 and 2.
- We will work closely with our entire supply chain to ensure we are Net Zero throughout our value chain by 2045 (Scotland) and 2050 (UK & ROI).

In our journey to become a net zero business we will confirm our carbon promises through several global pledges to publicly report on our carbon reduction progress and give our workforce, our clients and our communities confidence in our commitments.

- Support 3 out of 17 2030 UN Sustainable Development Goals related to the environment including Goal 13, 14 & 15: Climate Change, Life on Land, Life in Water
- Sign Business Ambition for 1.5°C letter, with our commitment listed by the UN Global Compact as we take part in the Race to Zero.
- Commit to the Climate Action Pledge
- Align our commitments to CLC Construct Zero, PAS 2080, the UK Carbon Budget and the GHG Protocol

We will achieve our goals to reduce our embodied and operational CO₂ emissions through the following initiatives:

Operational Carbon

- Seeking alternative heating / cooling of our buildings

- Improve energy efficiency of fixed and temporary buildings, including the use of hybrid generators
- Educate, promote awareness and encourage change in all aspects of our business i.e. commuting
- Mains Connections / Alternative temporary energy for our sites and additional solar integration
- Replace Diesel and other fuels for a low carbon alternative i.e. HVO
- Continue to reduce / change travel habits
- Increase electric charging points available to staff and site vehicles
- Low carbon renewable energy supply for our offices

Embodied Carbon

- Develop a materials selection process based on Environmental Product Declarations
- Changing project methodologies based on CO2 savings
- Increase the use of recycled materials in products
- Reduce waste and maximise the reuse materials on site
- Prioritise a local supply chain to reduce transportation

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 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 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 (or equivalent management body).

Signed on behalf of the Supplier:

Date: 13/04/23



Dominic Lavery

Managing Director