

Carbon Reduction Plan

Supplier name: **VSL Systems (UK) Ltd**

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Commitment to achieving Net Zero

As part of Bouygues Construction, VSL Systems (UK) Ltd follows Bouygues Construction standards and is committed to achieving Net Zero emissions by 2050 for Scopes 1, 2 and Scope 3.

In order to continue our progress toward achieving Net Zero, and in line with the Group's objectives, we have endorsed the same carbon reduction targets, based on the following corporate programmes:

- Connect 2025
- Net Zero Target
- Carbon Vision
- GreenLight

The base year is now 2021. We changed the base year from 2019 to 2021 since the carbon reporting methodology changed significantly in 2021. New objectives are eligible to be certified as compliant with the Paris Agreement by the Science-Based Targets initiative (SBTi).

All company-wide indirect emissions should be included in the assessment, including the use of sold products (Scope 3B). SBTi requires to include Scope 3B as it represents more than 40% of our total carbon footprint.

The Scopes 1&2 and Scope 3 civil work emissions reduction targets are set in absolute terms. Maintaining global warming under 1.5°C or 2°C requires an absolute contraction of emissions, which is the baseline for SBTi target setting.

Baseline Emissions Footprint

Baseline emissions are a record of the greenhouse gases that have been generated prior to the introduction of any strategies to reduce emissions. Baseline emissions are the reference point against which emissions reduction can be measured.

We follow BYCN guidelines for carbon reporting and we use the group's tool to submit consumption/usage. The data is analysed at group level and each entity will have access to their carbon emission dashboards. To calculate emissions BYCN uses official local conversion factors, specific material emissions factors for materials (for example from EPDs) and emissions factors validated and approved by construction entities. Year-on-year emission factors are revised which improves the accuracy of the reporting.

VSL entity has also set a Carbon Reduction Trajectory Simulator which each local profit centre needs to complete and update according to the local action plans.

Baseline Year: 2021

Additional Details relating to the Baseline Emissions calculations.

We have been measuring our Scope 1 and 2 emissions since 2018 and each year we have improved our level of confidence in the completeness and accuracy of the data.

This does mean that aggregate levels have shown slight increases due to the gathering of additional data despite the improvements implemented but also to an increase in business activity. As an example, we observed an increase in Scope 1 emissions between 2019 and 2020. Our efforts to improve data gathering allow future reporting to be in line with our carbon vision.

Our Scope 1 and 2 energy usage, and hence emissions, is calculated from actual data, with no estimates.

Our data comes from:

- Metered gas usage
- Metered electricity usage
- Fuel purchases
- Expenses claims
- Fgas maintenance records

Our Scope 3 emissions were first calculated in 2020 using the invoices made available from finance department. At this occasion there was little engaged with the project teams meaning the categorisation was lacking in accuracy. This was reviewed in 2021 by engaging the project managers.

Data for Scope 3 was mainly gathered using:

- Invoices for materials
- Delivery notes
- Reports for our travel agency

We do recognise that despite all the improvements 2021 baseline carbon footprint still lacks in accuracy and further improvements were introduced in the following years.

Baseline year emissions: 2021

EMISSIONS	TOTAL (tCO₂e)
Scope 1	1919.44 tCO₂e
Scope 2	5.97 tCO₂e
Scope 3 (Included Sources)	This equates to 6046.68 tCO₂e
Total Emissions	7972.09 tCO₂e

Current Emissions Reporting

Reporting Year: 2023	
EMISSIONS	TOTAL (tCO₂e)
Scope 1	108.86 tCO ₂ e
Scope 2	13.18 tCO ₂ e
Scope 3 (Included Sources)	This equates to 3660.75 tCO ₂ e
Total Emissions	3782.77 tCO₂e

Emissions reduction targets

Bouygues Construction is strengthening its climate strategy to reduce carbon footprint of its businesses and promote energy-efficient solutions. In 2022 interim objectives have been set namely:

- -40% Scope 1 & 2 by 2030 (in absolute terms comparing to 2021)
- -20% Scope 3 by 2030 (in absolute terms comparing to 2021)

Annual Objectives – 2024

1. Target	Metric
Green electricity contracts for VSL UK rented houses: - 100% of new contracts - 80% of ongoing contracts	Number of green supply contracts/Total number of contracts
2. Target	Metric
90% of the projects with duration above 12 months to use HVO only	Number of projects using HVO contracts/Total number of contracts
3. Target	Metric
100% tender submissions to offer a low carbon option	Number of low carbon option/Total number of tenders submitted

Carbon Reduction Projects

Completed Carbon Reduction Initiatives

The following environmental management measures and projects have been completed or implemented since the 2019 baseline (which was then updated for 2021).

Reduced Vehicle Journeys

The largest contribution to our Scope 1 and 2 emissions comes from fuel used in our fleet and company car fleet. Recognising that the most effective way to reduce carbon emissions from vehicles is to reduce the number of journeys and total distance covered, we have introduced several approaches to reduce the miles we cover. These include: - improved logistics, vehicle-sharing, and using digital technologies to reduce the need for face-to-face meetings, we are even able to undertake some site audits remotely.

Electrification of Fleet

In early 2021 we introduced an amended company car policy designed to encourage staff who are entitled to a company car to opt for Ultra Low Emission Vehicles. We have to date introduced 7 EVs, around 30% of the company car vehicles. We seek to increase this number but availability is an issue at the moment.

ISO:50001

Our Head Office premises has implemented an energy management system certified to ISO:50001. We have incorporated an advanced intelligent metering solution that produces real-time energy audits using self-learning algorithms.

ISO:14001

We operate an Environmental Management System certified under ISO:14001 that covers all of our managerial and operational activities.

Green electricity HO

Since 2021 our Head Office premises are supplied by a green contract certified by REGO scheme.

Low Carbon Site Compounds

Following a successful trial of dispersed metering and sensor technology that reduced energy usage in a typical construction site compound by 40% we are now looking to adopt this approach as our standard model for new projects.

We have also trialled the use of solar PV lighting for site compounds and will be looking to utilise these two approaches in combination to drive down site carbon emissions.

Supplier Engagement

This process is already under way but is a complex and long-term programme. We are seeking to work with our suppliers to raise awareness and to both help them reduce their own carbon footprints and to agree changes to products and services that enable us to meet our contractual obligations in a low-carbon way.

In 2022 we have introduced supply chain awareness training in association with the 'Supply Chain Sustainability School'.

SmartWaste

Recognising the need to improve accuracy within Scope 3 data and enhance knowledge at site level we have introduced and made mandatory the use of SmartWaste across all the new projects. Our performance can be monitored alongside the progress of the projects.

Cultural Change

Attitudes and behaviours are a vital part of reducing carbon through changing the way we work. One mechanism we will use for achieving this by increasing awareness on the topic. We have made it mandatory for our Site Supervisors to attend the SEATS training.

In line with our carbon vision 2030 we have implemented a mandatory staff training module on climate awareness at both global and UK levels. A yearly Climate Action Challenge runs every year since 2023. The event aims to share best practices being implemented across projects at the same time it brings to discussion any challenges and improvements still required.

In the future we hope to implement further measures such as:

Provision of EV Charging Points

We will continue working with clients to try and ensure that every location where we are principal contractor has at least one charging point for EV.

Low carbon fuel

As a long-term plan, we will be looking into introducing electric equipment into our operations. This involves a large investment meaning the risks must be taken into consideration before adopting these solutions. For the short-term, when availability and cost-effectiveness allow it we will opt for HVO in replacement of diesel.

Low carbon cement

On future tenders and offers to Clients we will offer a low-carbon cement option ensuring the quality of the operations is not compromised. We will be also working with other VSL profit centres on the development of a specific green grout option for VSL PT operations.

Low carbon strands

On future tenders and offers to Clients we will offer low-carbon strands. All purchases are to be followed by the Purchasing department at VSL. We will always ask for an offer from a low-carbon supplier in addition to standard suppliers. It is our aim that from 2030 all strands used by VSL are to be low carbon strands (<1.25 tonCO₂/ton strand).

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 standard¹ and uses the appropriate Government emission conversion factors for greenhouse gas company reporting².

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) Standard³.

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:



Alain Rossetto

Managing Director

Date: 30/04/2024

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>