

GOAL 13 Climate action.



LEADERSHIP COMMITMENT

THE LEADERSHIP TEAM IS COMMITTED TO TAKING CLIMATE ACTION. WE WILL USE OUR INFLUENCE TO BRING EVERY EMPLOYEE WITH US AS WE TRANSITION TO A NET ZERO BUSINESS. WE ARE DEDICATED TO THE IMPLEMENTATION OF GOAL 13 AND HAVE EMBEDDED ITS FULFILMENT WITHIN THE ACCOUNTABILITIES OF EACH LEADERSHIP ROLE.

Integrate meaningful climate action with corporate strategy, influencing employees to actively participate as we transition to net zero by removing barriers to action.

DECLARATION

In setting out our first strategy to tackle the effects of climate change, we:

- Acknowledge the urgent threat to the future survival of life on Earth.
- Realise the scale of the challenge to meet the Paris Agreement commitment, to limit global warming to well below 2°C (preferably to 1.5°C) compared to pre-industrial levels.
- Understand that to meet this goal, greenhouse gas emissions must be reduced by around 50% between now and 2030, with net zero reached globally by 2050.
- Recognise the costs and operational issues that will jeopardise an unprepared business that fails to take action and see the opportunities that arise from making a clear commitment to solving these challenges.
- Accept the necessity to adapt and modernise so that Knights Brown survives and succeeds as a relevant and more efficient business that better balances purpose and profit.
- Commit to setting a science-based target pathway to net zero, urgently accelerating progress between now and 2030.
- Pledge to further mitigate our broader environmental impacts including water, waste, and plastic.

We will take and advocate for, climate action and collaborate with our peers to advance lasting climate progress as part of a net zero economy.



Kevin Valentine Managing Director on behalf of the leadership team

WE ARE DEDICATED TO THE IMPLEMENTATION OF GOAL

AND HAVE EMBEDDED ITS FULFILMENT WITHIN THE ACCOUNTABILITIES OF EACH LEADERSHIP ROLE.

TOP 10 CLIMATE FACTS

We are on track to reach a global temperature rise of 3°C by the end of the century.¹ Global emissions of carbon dioxide (CO₂) have increased by almost 50% since 1990. Emissions grew more quickly between 2000 and 2010 than in each of the three previous decades.²

Wildlife populations have declined by an average of 60% since 1970.³ Only 7% of reefs in The Great Barrier Reef have escaped bleaching entirely.⁴ We're on course to lose over half of all insects by the end of the century.⁵

Oceans have warmed, snow and ice have diminished and sea level has risen. From 1901 to 2010, the global average sea level rose by 19cm. The Arctic's sea ice extent has shrunk in every successive decade since 1979, with 1.07 million km² of ice loss every decade.⁶ 2019 was the second warmest year on record and the end of the warmest decade (2010- 2019) ever recorded.⁷

Climate change continues to exacerbate the frequency and severity of natural disasters, which affected more than 39 million people in 2018, resulting in deaths, disrupted livelihoods and economic losses.⁸

Climate change will drive the migration of 200 million people worldwide by 2050.⁹

It is still possible, using a wide array of technological measures and changes in behaviour to limit the increase in global mean temperature to 2°C above pre-industrial levels.¹⁰

¹ <u>Nature.com 2018</u> | ² <u>IPCC</u> | ³ <u>WWF</u> | ⁴ <u>Coralcoe.org.au</u> | ⁵ <u>Sciencemag.org</u> ⁶ <u>IPCC</u> | ⁷ <u>United Nations</u> | ⁸ <u>United Nations</u> | ⁹ <u>National Geographic</u> | ¹⁰ <u>IPCC</u>

OUR OBJECTIVE

TO TRANSITION TO NET ZERO, ACCELERATING PROGRESS TO SIGNIFICANTLY REDUCE CARBON EMISSIONS BY 2030 IN LINE WITH A SCIENCE-BASED TARGET PATHWAY, COMPENSATING FOR RESIDUAL EMISSIONS THROUGH POTENTIAL HIGH-IMPACT CLIMATE AND NATURE ACTIONS THAT DELIVER LONG-LASTING, QUALITY RESULTS ALONGSIDE ENVIRONMENTAL AND SOCIAL BENEFITS.



HOW WE'LL GET TO NET ZERO



WHY WE'RE DOING IT

- To fulfil our moral responsibility to mitigate climate change.
- To generate resilience for our business to the threats posed by it.
- To respond to the changing expectations and aspirations of our customers and employees.
- To survive and succeed as a relevant and more efficient business.
- To build competitive advantage by using our agility to move at pace.
- To advance goals for climate action and become part of the solution.

WHAT WE'LL DO

WE WILL IMPLEMENT A COMPREHENSIVE PLAN FOR CLIMATE ACTION THAT LOOKS TO THE FUTURE AND OUR TRANSITION TO BECOMING A NET-ZERO BUSINESS, EMBRACING SCIENCE-BASED SYSTEM TRANSFORMATION, DRAWING FROM EXISTING PRACTICES AND INCORPORATING NEW THINKING.

OUR APPROACH WILL:

- Account and disclose carbon emissions across all activities and operations.
- Reduce emissions in line with a science-based target pathway.
- Quantify a cost for residual emissions.
- Invest in potential high-impact actions favouring climate, nature, and society.

TO ACHIEVE THIS WE WILL:

- Document the risks and opportunities associated with climate change in our business.
- Map sources of carbon identifying Scope 1 (direct), Scope 2 (indirect) and Scope 3 (other indirect) emissions.
- Assess emissions for significance by way of scale, relevance and reduction potential and base our priority actions on the outcome of that assessment.
- Identify areas for improvement and adopt a tiered approach to establish, progress, and embed carbon reduction in our systems and processes.
- Engage with the Science Based Targets Initiative (SBTi) to set a date by which we will be able to credibly achieve net zero.

Goal 13 would be incomplete without also considering a broader range of environmental impacts. Excessive consumption of precious resources contributes to effects such as pollution and the loss of wildlife and wild places, as well as climate change. To address this we will implement a sustainable workplaces plan that will help us make positive changes in other important areas including water, waste, and plastic, building on existing good practice. GOAL JJJ WOULD BE INCOMPLETE WITHOUT ALSO CONSIDERING A BROADER RANGE OF ENVIRONMENTAL IMPACTS.

OUR INDUSTRY

THERE IS NO ESCAPING THAT CONSTRUCTION AS AN INDUSTRY, EMITS A LOT OF CARBON.

Constructing buildings, roads, bridges, and everything else we build involves emitting carbon, primarily from electricity, fuel in vehicles and plant, and from the materials we use, such as steel and cement. Cement is the source of about 8% of the world's CO₂ emissions¹.

Emissions also arise from the operation and maintenance of the assets we construct, from electricity and fuel usage. And then there are emissions from customers using the asset, such as fuel emissions from vehicles on a road.

As an independent contractor, we can move at an accelerated pace to play our part in reducing carbon emissions on our projects.

We can do this by using fewer or different materials, using alternative production techniques and lower emission methods of transport, planning to reduce journeys, and minimising our use of energy derived from fossil fuels, like oil, gas, and coal.

We also have a role to play in influencing others in our value chain. This means supporting our customers to reduce carbon emissions over the whole life of their assets by offering low carbon alternatives; this is especially true where we have design responsibility. It also means working with our suppliers to source and encourage provision of those lower carbon alternatives.

CEMENT IS THE SOURCE OF ABOUT 8% OF THE WORLD'S CO, EMISSIONS

EMISSIONS ALSO ARISE FROM THE OPERATION AND MAINTENANCE OF THE ASSETS WE CONSTRUCT, FROM ELECTRICITY AND FUEL USAGE. AS AN INDEPENDENT CONTRACTOR, WE CAN MOVE AT AN ACCELERATED PACE TO **PLAY OUR PART**

IN REDUCING CARBON EMISSIONS ON OUR PROJECTS.

WE ALSO HAVE A ROLE TO PLAY IN INFLUENCING OTHERS IN OUR VALUE CHAIN.

¹ Chatham House

OUR TOOLS

THE TWO TABLES THAT FOLLOW SET OUT THE FOCUS AREAS FOR OUR BUSINESS. THESE WILL HELP US 'GET OUR HOUSE IN ORDER' AND 'FOCUS ON THE BIG IMPACT AREAS'. THEY PROVIDE GUIDANCE TO REDUCE OUR, AND OUR VALUE CHAIN'S, CARBON EMISSIONS AND PROVIDE INSIGHT ON TRANSITIONING OUR DIVISIONAL OFFICES AND SITES TO SUSTAINABLE WORKPLACES.

The tables provide guidance for annual carbon reductions at a corporate, divisional, and site level. They identify the focus areas of activity where improvements will have the largest impact on our ability to reduce carbon emissions as a business, on our projects and for our customers.

They provide a means to measure progress to net zero, ensuring carbon emissions identification and reduction is embedded in our approach to business.

THE COLUMNS RANGE FROM 'ESTABLISHING' THROUGH 'PROGRESSING' TO 'EMBEDDING'.

ESTABLISHING:

The first objective is to establish carbon reduction and sustainable thinking in each focus area.

PROGRESSING:

These are actionable items that demonstrate increased capability and enhanced standards.

EMBEDDING:

This includes low carbon leadership at every level of our activities.

The contents of each column are not exhaustive and there is no mandatory order in which to address them.

OPERATIONS CARBON REDUCTION MATRIX

FOCUS AREA MATURITY	ESTABLISHING	PROGRESSING	
MEASUREMENT & TARGET SETTING	 Direct carbon emissions are objectively measured and reported using an internationally recognised accounting standard. Suppliers are asked for carbon emissions data during procurement. Carbon reduction targets are incorporated in projects where we hold design responsibility. 	 A science based target pathway to net zero is established with SBTi and disclosed. Direct and indirect carbon emissions are reported externally using an internationally recognised accounting standard. All projects set construction phase carbon reduction targets. Carbon reduction targets are reported for projects where we hold design responsibility. Carbon emissions performance data is included in the supplier performance management/selection process. 	 Carbon reduction All suppliers report
FINANCIAL & COMMERCIAL SOLUTIONS	 An internal investment fund is available for low carbon solutions. Bid and site teams understand how the contract price impacts the implementation of low carbon solutions. The need to set a meaningful internal price for carbon is understood and accepted. 	 An internal price for carbon has been set. Opportunities for nature and biodiversity enhancements are always considered by project teams. Opportunities for further emissions reductions are always considered by project teams. Work winning teams explore innovative solutions for decarbonisation in the value chain. 	 The internal prict Remaining carbot investment for cl Low carbon opportunity customers and p Suppliers are end
ESTIMATING & DESIGN	 All estimators have completed life cycle analysis training. A central library of carbon and cost data resources is established with consistent methods of measurement. Estimating software has been reviewed for carbon capability and shortcomings identified. Designs always include consideration of opportunities to reduce carbon. 	 Opportunities to reduce high carbon impacts are identified on every project and alternatives offered to customers. Estimating software consistently aligns carbon and cost. Carbon and cost performance and as-built carbon data is systematically fed into the central library of resources. All project designs include construction phase and whole life carbon data. Design partners are appointed based on capability to include construction phase and whole life carbon reductions. 	 On projects whe is used to deliver cost. Digital cost and control of the performance.
TRANSPORT	 Site teams always consider lower carbon, lower cost transport options for project logistics plans. 	 Guidance is provided for incorporating carbon impacts into project logistics plans. Site teams collaborate with partners and suppliers to develop the most carbon efficient logistics plans. Suppliers are asked for fleet carbon performance during the procurement process. 	 Suppliers are enabled and this is reflect process.
PLANT	 Policies articulate low or zero carbon emissions aspirations for plant. Procurement processes require consideration of low or zero carbon emissions plant. There are best practice guides for the procurement and operation of low or zero carbon emissions plant and low carbon site set ups. 	 Minimum standards are in place for low or zero carbon emissions plant and site set ups. Suppliers are asked for plant carbon performance data during the procurement process. All plant has emissions telematics equipment and data is used to continuously reduce emissions and costs. All procurement of owned plant and equipment is based on assessment of carbon and cost life cycle analyses. 	 Suppliers' plant e performance ma selection decisio
MATERIALS	 Policies articulate low or zero carbon emissions materials aspirations. Suppliers are informed of the importance of low or zero carbon materials through the procurement process. High impact carbon materials categories are identified and communicated and updated annually. Suppliers of materials in high impact carbon categories are asked to share carbon performance data. A plan is in place to collaborate with industry groups and materials suppliers to identify low or zero carbon alternatives for key materials. Best practice and lower carbon alternative materials are shared across projects and the supply chain. 	 Materials suppliers are required to report how they measure and manage carbon emissions as part of the procurement process. Partners for the supply of key materials are always asked to submit costed low carbon alternatives. A minimum standards guide is in place for high carbon emissions materials. Suppliers who are proactive in the provision of low or zero carbon emissions materials are rewarded during the procurement phase. 	 A minimum stan and reviewed an Low or zero carb Suppliers materi supplier perform Annual reduction materials catego
CUSTOMER ASSETS	 Bid teams always offer reduced carbon and energy efficient alternatives. Carbon performance data and energy usage information is shared with customers at handover. 	 Customers are offered predictive energy information, energy efficiency advice and performance gap reduction guidance. 	 Pathway to net z a work winning c

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on targets are reported for all projects. Port project carbon emissions.

te for carbon and its calculation method is disclosed. on emissions are costed and compensated for through climate and nature impact, and details disclosed. portunities to align the value chain are always shared with partners.

couraged to take up low carbon solutions.

ere we hold responsibility, digital carbon and cost modelling r construction phase options with reduced carbon and

carbon estimating is standard practice. demonstrate optimised life cycle analysis and cost

acouraged to take up low or zero carbon emissions vehicles sted in the supplier performance management/selection

emissions data is reported as part of the supplier anagement process and this is integrated into supplier ons.

ndards guide for high carbon emissions materials is in place nd improved annually.

oon alternative materials are always offered to customers.

ials carbon performance data is reported as part of the nance management/ selection process.

ns in carbon emissions can be demonstrated for key ories.

zero delivery and low carbon asset performance is used as differentiator.

SUSTAINABLE WORKPLACES* MATRIX

FOCUS AREA MATURITY	ESTABLISHING	PROGRESSING	
ENERGY	 Energy footprints are calculated and monitored in all workplaces. All workplaces have an energy management plan. Green tariff and renewable energy options are in place at all divisional offices. 	 Reduction targets are in place in all workplaces. Energy consumption figures, areas of high usage and reduction measures are shared with employees. All cost viable energy retrofit opportunities are implemented at divisional offices. Smart metres (or equivalents) are installed at all divisional offices and energy performance data is analysed. 	 Energy benchma
WATER	Water footprints are calculated and monitored in all workplaces.All workplaces have a water management plan.	 Reduction targets are in place in all workplaces. Water consumption figures, areas of high usage and reduction measures are shared with employees. 	 Water benchma
WASTE	Waste footprints are calculated and monitored in all workplaces.All workplaces have a waste management plan.	 Reduction targets are in place in all workplaces. Recycling targets are in place in all workplaces. Waste volume figures and reduction measures are shared with employees. 	 New methods or
TRAVEL	 Virtual meetings are normal practice. A green travel policy is in place. Travel footprints are calculated and monitored in all workplaces. Policies articulate low or zero carbon emissions aspirations for fleet vehicles. Low or zero carbon emissions vehicles are introduced to the company fleet. Electric vehicle charging points are provided at some workplaces. 	 A policy is in place for remote working. More options for low or zero carbon vehicles are regularly added to the company fleet and combustion engine vehicle options phased out. Electric vehicle charging points are provided at all workplaces. Travel is monitored for problem areas that result in high emissions. Carbon reductions and cost savings from low emission vehicles and remote working are calculated. 	 Ownership of trapersonal) throug All company veh
PROCUREMENT	 A sustainable procurement policy is in place. The expenditure of all divisional offices is analysed for most frequently purchased/high expenditure items and any carbon factors associated with those items. 	 Lower carbon alternatives for most frequently purchased/high expenditure items are explored for all divisional offices and best practice passed on to sites. A gap analysis is conducted for ISO 20400 (sustainable procurement). 	ISO 20400 accreKey suppliers ar
PLASTIC	 Plastic footprints are calculated and monitored in all divisional offices. All divisional offices have a plan for the removal/ reduction and replacement of plastics with sustainable alternatives. Best practice and sustainable alternatives are shared with sites. Suppliers are asked to reduce their use of plastics, particularly packaging. 	 Plastic recycling targets are in place in all divisional offices. Targets are in place to reduce the use of avoidable plastics in all divisional offices. Preference is granted to suppliers who successfully reduce their use of plastics. 	 Plastic packagin New methods or
PAPER & PRINTING	 Paper and card are 100% recycled or FSC certified and sourced in the UK in all workplaces. Best practice articulates digital alternatives to printing. Access codes are installed on printers and printing is monitored. Print default settings are double-sided and b&w. Chlorine-free paper is used where possible. External printers are ISO 14001 certified. Lamination, coating and binding is avoided. Vegetable-based inks are used where possible. UV varnishes and others containing endocrine-disrupting chemicals are avoided. 	 Paper footprints are calculated and monitored in all workplaces. Print and paper use reduction targets are set and monitored in all workplaces. 	 Workplaces are New ways of rec

*Workplaces is a generic term intended to encompass divisional offices and sites. Where one or the other is intended to be in scope, this is stated.

EMBEDDING

narks are used to manage efficiency performance.

irks are used to manage efficiency performance.

f recycling and reducing waste are always looked for.

ravel emissions is encouraged (e.g. departmental, team, igh allocation of a company-wide carbon budget. hicles are low or zero emissions.

editation is achieved. re encouraged to adopt ISO 20400.

ng is returned to suppliers. of recycling and reducing plastic use are always looked for.

e targeting paperless environments. ducing printing and paper used are always looked for.

SUSTAINABLE WORKPLACES* MATRIX

FOCUS AREA MATURITY	ESTABLISHING	PROGRESSING	
MEETINGS & EVENTS	 Meetings are held virtually where possible. Venues are accessible by public transport. Reusable crockery and cutlery is preferred to disposable. Disposable serviettes are 100% recyclable or FSC certified. Catering requirements are carefully considered to ensure food is not wasted. Vegan and vegetarian food options are increased over meat. Meat and dairy food options are high-welfare and organic. Fish and seafood options are sustainably caught (MSC certified) or farmed (ASC certified). Tea, coffee, sugar and chocolate are Fairtrade, Soil Association Organic or Rainforest Alliance certified. Palm oil is sustainably sourced (RSPO certified). Tap water is served in reusable water jugs. Distribution of 'goody bags' / merchandise is avoided. Name badges are reusable and collected at the end of the event. Events are communicated digitally and paperless ticket options used. Table decorations comprise plants in preference to cut flowers and are given away or reused. 	 Venues are selected based on environmental credentials. 	 Food options are Preference is given wines are vegare
BIODIVERSITY	 Use of pesticides, weedkillers and chemical fertilisers is avoided. Biodiversity is encouraged. Habitats are developed for a variety of species. Wildflowers are planted. Bat boxes, bird boxes, bird baths and insect hotels are installed. Trees, plants and seeds are native to the local area. Soil patches are mulched to prevent drying out. 	 Green spaces are maintained organic and natural. Options to install living walls or green roofs are investigated. Rainwater is collected in water butts. 	 Formal or inform review effectives
GIVING BACK	 Employer supported volunteering is encouraged. Local volunteering days take place at all workplaces. Support is given to a specific cause(s) by all workplaces. Fundraising is in place in all workplaces. Action for climate and nature is advocated in all workplaces. 	 A company-wide partnership is in place with an organisation targeting combined climate/nature/social benefits. 	 All employees partner.

*Workplaces is a generic term intended to encompass divisional offices and sites. Where one or the other is intended to be in scope, this is stated.

EMBEDDING

re meat-free. iven to drinks produced in the UK, Fairtrade, or organic. n

mal surveys are carried out to count different species and eness of steps taken.

participate in local volunteering and supporting the chosen

GOAL 13 OBJECTIVES TEMPLATE

The tables should be reviewed regularly to determine the current position on the matrix, identify the best opportunities for continual improvement and to establish objectives, which should be captured on a template.

DIVISION	
DATE	
DATE APPROVED BY LEADERSHIP TEAM	

OBJECTIVE (SMART*)	FOCUS AREA	OWNER	DESCRIPTION	EXPECTED IMPACT	EXPECTED COMMERCIAL IMPLICATIONS	STATUS

* SMART = specific, measurable, achievable, relevant and timely



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DEFINITIONS & EXPLANATIONS

GOAL 13

The United Nation's Sustainable Development Goals are the blueprint to achieve a better and more sustainable future for all. There are 17 goals, which address global challenges such as poverty, inequality, environmental degradation, peace, and justice. Goal 13 is climate action. We've chosen it as the name we're giving our corporate commitment to climate action.

NET ZERO

Net zero means achieving a state in which the activities in the organisation's value chain result in no net impact on the climate from greenhouse gas emissions. This is achieved by setting and pursuing an ambitious 1.5°C aligned science-based target and then compensating for any remaining hard to decarbonise emissions.

EMISSIONS SCOPES

To reach net zero we have to take accountability across all three scopes.

SCOPE	DEFINITION
1	Direct emissions from sources we own or control including emissions from gas boilers, company cars and vans.
2	Indirect emissions created by generating any electricity, heat, or steam that we buy.
3	Includes all other indirect emissions that occur in our value chain. For example, those created by our supply chain, generated by what we build for our customers, and the carbon embodied in the materials we buy, such as steel and concrete.

Accounting and reporting of emissions will be done in line with a recognised international standard, for example the GHG Protocol and ENCORD Protocol (European Network of Construction Companies for Research & Development).

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