



# HYDROTREATED VEGETABLE OIL (HVO) AND GAS TO LIQUID (GTL)

## Position statement

We intend to minimise and ultimately phase out the use of diesel and other fossil fuels in our operations. This is in line with our objective to transition to net zero, accelerating progress to significantly reduce carbon emissions by 2030 in line with a science-based target pathway, as stated in our climate action strategy, Goal 13. As the strategy also sets out, our intention is to fulfil our moral responsibility, advance goals for climate action and become part of the solution. This includes ensuring that in seeking to solve one environmental challenge, we are not inadvertently creating another.

We see HVO and GTL being marketed as sustainable, 'drop in' alternatives to fossil fuels and a practical step towards net zero and decarbonisation. On the face of it, this is an attractive proposition given our reliance on heavy plant and machinery in conducting our operations, the current availability and affordability of suitable alternatives, and the industry's drive to reduce carbon emissions. Consequently, we see some customers and many tier one contractors, committing to the use of HVO/GTL.

In considering the use of these fuels, we have become aware of some worrying issues that we believe should be resolved before introducing them to our operations. Particularly, supply chains are complex<sup>1</sup>, with insufficient information available on sourcing, transportation and production methods. Supplies of sustainably sourced HVO are limited so sharply increasing demand may cause an increase in palm oil derived HVO or in palm oil being used as an alternative livestock feed, contributing to global deforestation. Even sustainably certified schemes are limited by not accounting for the impact of indirect land-use changes or the full lifecycle footprint.

In accepting our responsibility to reduce carbon emissions and in planning to transition to net zero, we must take into account all the environmental, economic and social aspects of HVO before encouraging its uptake and widescale use. As the Royal Academy of Engineering put it:

"It is essential that the carbon footprint and other sustainability aspects of biofuels be evaluated on a life cycle basis across full supply chains to avoid shifting the burdens from one part of the life cycle or supply chain to another." <sup>2</sup>

We will continue to monitor understanding of HVO both in our industry and more widely but until all the potential impacts are understood, Knights Brown will not commit to or encourage its use.

Our position on HVO is guided and influenced by Balfour Beatty, a leading international infrastructure group at the forefront of sustainability in construction and infrastructure.<sup>3</sup> We respect the due diligence undertaken and welcome their transparency and leadership.<sup>4</sup>

### KNIGHTS BROWN'S PROGRESS

Knights Brown is committed to reducing emissions from our plant and fleet as quickly as possible. Our progress includes:

- Training our operators to understand how to use machinery efficiently and sharing telematics information, supported by our campaign to eliminate unnecessary idling.
- Using telematics to monitor and manage practices in usage and fuel consumption.
- Procuring or hiring efficient machinery that meets the latest engine emission standards.

- Replacing diesel generators with solar hybrid alternatives where temporary connection to the mains electricity supply is not possible.
- Introducing electric vehicle options at all grades for company car drivers.
- 100% of diesel company cars Euro 6 compliant.
- Investigating early introduction of hydrogen power units using green hydrogen fuel cell technology.
- Closely monitoring the availability and affordability of electric, hybrid and hydrogen powered plant, machinery and commercial vehicles.

## CONCLUSION

We believe it would be inconsistent with the objectives of our Goal 13 climate action strategy to accept the environmental claims of HVO and GTL when we are aware of wider sustainability concerns that are not yet closed out. Instead we will prioritise minimising the use of diesel through efficiency savings, adopting workable and proven alternatives such as solar hybrid generators and in the long term, investing in alternatives such as hydrogen powered machinery.

## ABOUT KNIGHTS BROWN

We're an independent, multidisciplinary construction company with fewer than 300 direct employees and divisional offices in Hampshire, Bridgend and Kent. We work with public sector and private customers across southern England and Wales and serve energy sector customers all over the UK. We're down to earth and approachable, with the agility to respond swiftly and decisively to changing circumstances.

Our environmental management system is accredited to ISO 14001:2015 and we have always taken a responsible and proactive approach towards the environment. In 2021, we released our first comprehensive strategy to respond specifically to the climate and nature emergency. In it we set out 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."

In 2022, our emissions reduction target (stated below) was approved by the Science Based Targets initiative (SBTi):

"Knights Brown commits to reduce absolute Scope 1 and Scope 2 greenhouse gas emissions by 42% by 2030 from a 2020 base year, and to measure and reduce Scope 3 emissions."

This target is now published on the SBTi website as well as We Mean Business.

A science-based target is one that is aligned with making the scale of reduction in greenhouse gas emissions necessary to cap global temperature rise at 1.5 ° C, which is what is required to limit the worst effects of climate change. We are confident it is achievable even as we seek to grow our business.

Our baseline year emissions in 2020 totalled 3,376.96 tCO<sub>2</sub>e as disclosed under the Streamlined Energy & Carbon Reporting requirement for Scopes 1 and 2 and limited Scope 3s (private use vehicles only). For the 2023 financial year we recorded a reduction of 44% to 1,893.4 tCO<sub>2</sub>e.

<sup>1</sup> <https://www.nnfcc.co.uk/files/mydocs/UCO%20Report.pdf>

<sup>2</sup> <https://www.raeng.org.uk/publications/reports/biofuels>

<sup>3</sup> [hvo-positioning-paper v5.pdf \(balfourbeatty.com\)](https://www.balfourbeatty.com/hvo-positioning-paper-v5.pdf)

<sup>4</sup> [Bursting the HVO bubble \(balfourbeatty.com\)](https://www.balfourbeatty.com/bursting-the-hvo-bubble)

February 2024