Carbon Reduction Plan

Supplier: Hydrock Consultants Ltd

Publication date: 29.11.2023

1. Commitment to achieving Net Zero

Hydrock Consultants Ltd (henceforth referred to as Hydrock) is committed to achieving Net Zero emissions by 2030 for scope 1 and 2 emissions from a base year ending 31st March 2020 (now revised to FY23). We intend to achieve net zero for scope 3 emissions by no later than 2050 and will revise this target date after finalising our scope 3 inventory. Hydrock has also committed to setting science-based targets (SBTs) and intend to submit these to the SBTi in January 2024.

1.1 Background

Responsibility for carbon reduction is led at Board level and supported through action planning through the company Sustainability Working Group (SWG). The SWG members represent all Hydrock disciplines, locations and levels of seniority and include a board sponsor. They consider, and where necessary, challenge Hydrock's commitments and processes to ensure that the company operates in a sustainable manner that seeks to continually improve our environmental, social and economic impacts, both close to home and in wider society. Along with the Board, the SWG is responsible for ensuring that the targets set are achieved and will help deliver a sustainable business.

Hydrock's in-house Smart Energy and Sustainability (SES) specialists develop our carbon strategy on behalf of the SWG, and act as the technical advisors to the SWG and Board for Hydrock's journey to Net Zero and beyond.

Hydrock supports the UK Green Building Council's (UKGBC) framework for net zero carbon buildings which will ensure that our consultancy work will help the UK construction and property industry to transition new and existing buildings to becoming net zero carbon by 2050.

2. Emissions Footprint

2.1 Baseline emissions

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

Hydrock aligns carbon reporting to its financial year (1st April through to 31st March "FY"). Prior SECR reporting of scope 1 and 2 emissions as well as scope 3 grey fleet emissions began in FY20. Several entities have been acquired over the past few years including Kelly Taylor and Associates Ltd (company number: 01698632) in the FY22 reporting year. These acquisitions constitute substantial organisational change and therefore FY23 will be used as a new baseline moving forward. FY23 is also the first year Hydrock have measured the 5 scope 3 categories required as part of PPN 0621 compliant reporting.

Hydrock is currently in the process of measuring their full scope 3 emissions for FY23 for inclusion in future reporting.

2.2 Emissions Reporting

Emission scope and category	FY20* tCO_2e	FY21 tCO_2e	FY22 tCO_2e	FY23 tCO_2e Re-baseline
Scope 1				
Stationary fuels	36.9	39.0	42.6	94.0
Fuelcards	129.0	108.8	108.5	121.2
Company cars	155.3	41.1	34.9	25.8
Scope 2				
Location-based electricity	122.0	56.6	118.8	203.0
Scope 3				
Upstream transportation and distribution				11.1
Waste generated from operations				288.2
Business travel	32.6**	23.2**	126.8**	177.3
Employee commuting				397.6
Downstream transportation and distribution				0.0
Total emissions	**476.1**	**269.0**	**431.6**	**1,318.3**

* This was previously a baseline for Scope 1 and 2 emissions only, as per SECR reporting. FY23 is the first year that Scope 3 has been reported for the 5 categories required for PPN 0621 reporting and will form the new updated baseline.

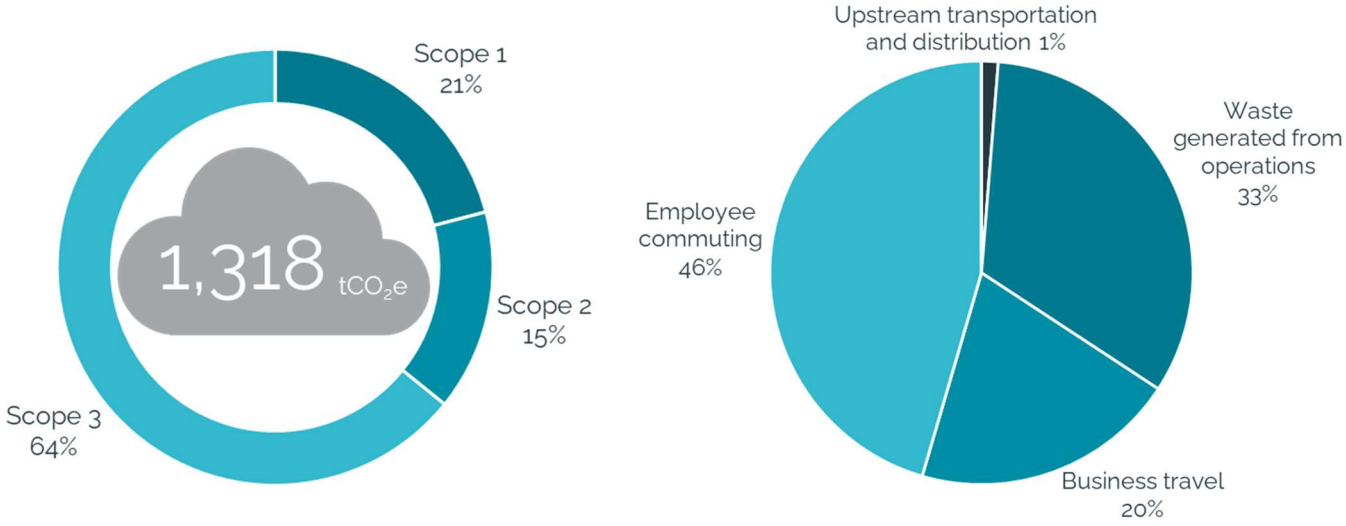
** This covers business travel in staff owned vehicles only

2.3 Methodology

The capturing of our scope 1 and 2 emissions involved a detailed assessment of the buildings in which we operate and the vehicles we use for business travel purposes. For fuel usage, a fuel-based approach was used. The majority of oil, gas and electricity data was taken directly from meter readings. However, when a reading was unavailable, then a value was calculated using pro-rata extrapolation, benchmarking or comparative data from a similar asset, as instructed by the reporting guidance. SES are developing a method of automated real time data collection to ensure complete and accurate accounting of energy usage and emissions.

A summary of the scope 3 methodology can be found in the table below. A discussion on scope 3 data improvement is found in section 4.1 of this report.

Emission scope and category	Methodology
Scope 3	
Upstream transportation and distribution	Spend data x DEFRA emission factor
Waste generated from operations	Activity data x DEFRA emission factor
Business travel	Distance & expenses data x DEFRA emission factor
Employee commuting	Staff annual survey
Downstream transportation and distribution	Not relevant, Hydrock does not sell or transport products



The graphic on the left above provides a breakdown of Hydrock's Scope 1, 2 and 3 emissions for the FY23, on the right is a breakdown of scope 3 emission categories.

Scope 1 and 2 emissions

Hydrock's emissions from scope 1 and 2 reduced significantly in FY21 by 54.8% mainly driven by the business interruption caused by the global COVID-19 pandemic. The organisation has seen rapid business growth over the last few years and while absolute emissions have risen, the emissions per employee have remained at similar levels in the last 2 years at 600tCO_2e/employee. Absolute scope 1 and 2 emissions are also the same in FY23 as they were in FY20 despite the rapid business growth over this period at 444tCO_2e.

The largest contribution towards our total Scope 1 & 2 emissions comes from company-controlled vehicles, followed by electricity usage within our offices. Oil and gas consumption (used for heating and hot water) has doubled between the FY22 and current FY23 reporting periods, primarily due to the growth of the business and acquisition of new office space.

Scope 3 emissions

Scope 3 emissions are the largest contributor to total emissions at 64%. We expect this proportion to increase when our full scope 3 inventory is completed and includes additional emission sources such as purchased goods & services and capital goods.

Currently employee commuting, which includes emissions from homeworking, is the largest scope 3 emission category, comprising 46% of total scope 3 emissions. Waste generated in operations is the next largest emission source at 33%, this category also includes water and wastewater.

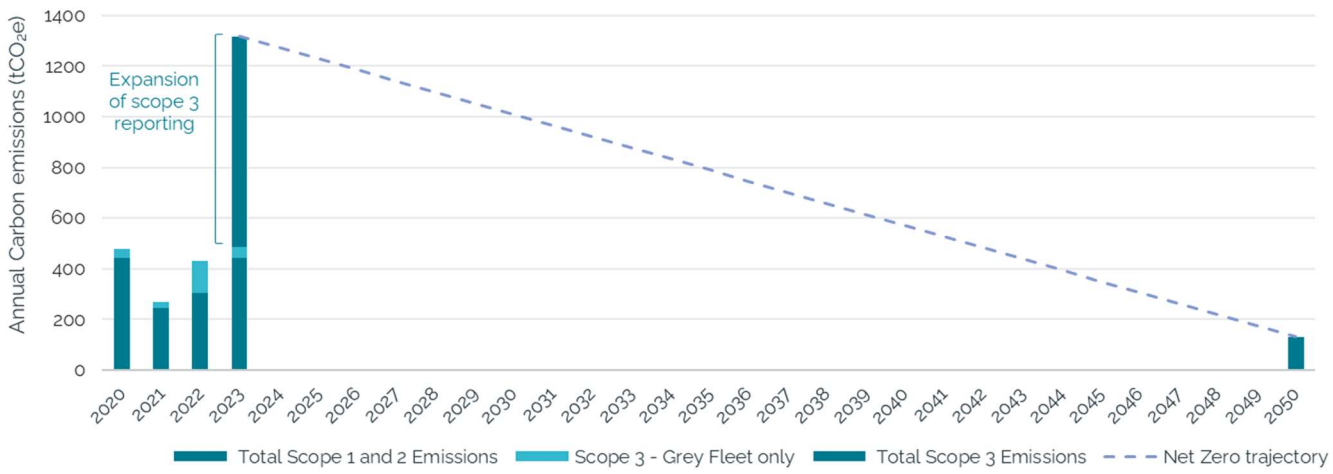
3. Emission reduction targets

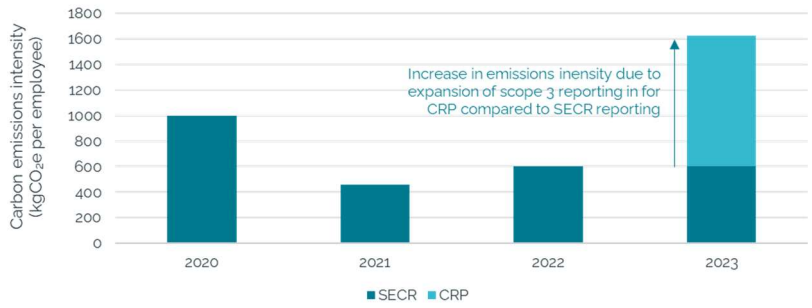
Hydrock has committed to becoming net zero carbon in our business operations by 2030 and to capture and continuously improve the data quality of our value chain emissions. In 2021 we committed to setting a science-based target (SBT) which aligns with 1.5°C of warming as per the Paris agreement. Below sets out our approach so far to achieve this, and what we propose to do to continue working towards this.

The interventions that Hydrock is advised to pursue in order to achieve net zero for scope 1 and 2 are summarised below:

- Absolute target: A 90% reduction in scope 1 and 2 emissions by 2030
- Intensity target: A reduction of the carbon emissions associated with car mileage by 80% per employee by 2030
- Pledges: Sign up to initiatives to bolster and verify this commitment such as: Business Ambition for 1.5°C, Science-Based Targets initiative and the Climate Group's EP100 Pledge

By reducing business mileage, enabling flexible working between home and the office, transitioning to an EV fleet, decarbonising heat and switching to more renewable energy providers, Hydrock estimates it can reduce its total scope 1 and 2 emissions by 90% by 2030. Carbon offsetting will be explored for hard-to-decarbonise emission sources to achieve net zero emissions for scope 1, 2 and 3 emissions by no later than 2050. Progress against a 2050 net zero target is outlined in the below graph:





When considering the emissions included in Streamlined Energy and Carbon Reporting (SECR) of scope 1, scope 2 and scope 3 emission from grey fleet only, emissions intensity has reduced 40% compared to 2020. By including additional scope 3 categories in reporting within this CRP report, the emissions intensity has naturally increased, as shown in the figure to the left.

4. Carbon Reduction Projects

A range of initiatives will be required to address the breadth and complexity of carbon reduction across Hydrock's own operations and value chain. This will also include introducing new data management systems to better capture our emissions data and ultimately to identify emission reduction opportunities and realise further emission savings. The following measures have been implemented:

- Support for remote working and facilitating tools to reduce reliance on office space and vehicle mileage (in addition this will serve to reduce scope 3 emissions from employee commuting and business travel).
- Hydrock have introduced an electric vehicle (EV) benefit scheme to encourage staff to lease EV's and transition away from combustion vehicles.
- Continue to transition pool and company cars to electric vehicles
- To support uptake in EV benefit scheme and increase in use of EV pool cars, educational webinars on the practicalities and benefits of EV use have been marketed internally to support staff.
- For new offices, we have introduced sustainability selection criteria to prioritise procurement of office space that does not rely on fossil fuels and meets minimum energy efficiency standards
- Introducing office waste reviews and audits to better understand how waste can be reduced, especially to landfill.
- An annual employee commuting survey gathers data on typical employee commuting journeys. This year additional questions around employee's barriers to commute more sustainability were included.
- Procured a PPE waste collection specialist to recycle our PPE waste from project work.
- Established a Sustainable Procurement Working Group with the aim of overseeing the development of company policy and integrate carbon credentials of suppliers into contracts

4.1 Future plans

The following data management and carbon reduction measures are being looked into:

Offices

There are certain things that Hydrock, even as a tenant, can control and the following will be actioned:

- All of Hydrock's offices are leased and as a tenant Hydrock largely has limited control over energy efficiency improvements. Hydrock will engage with landlords for existing offices to encourage the implementation of energy efficiency measures, electrification of heating and hot water systems and procurement of renewable energy through on-site or offsite measures.
- Transition energy procurement in offices to 100% renewable energy backed with Renewable Energy Guarantee of Origin (REGO) certificates (for serviced offices we may look into procuring additional certificates to cover these).
- Introduce sign-in app for offices to capture supplier and client travel data.

Employee engagement

Hydrock will rollout companywide engagement sessions in early 2024 to communicate their net zero roadmap strategy to staff. Engagement also offers an opportunity to educate staff in the impacts of their own behaviour and can encourage the use of EV pool cars, switching off lights, leaving HVAC systems on set points as well as better use of company systems and processes to capture data.

Additional training will be available to staff with procurement functions in their roles, for example, office managers, operations managers and project managers. This will aid in instilling sustainable procurement in company operations. Hydrock are on track to achieve Bronze level for a Carbon Literate Organisation in the next 6 months and aim to roll out carbon literacy to staff members, certified through the Carbon Literacy Project.

Suppliers

Hydrock are committed to minimising our environmental impact and operating ethically through the selection of the suppliers or sub-contractors we use and the products and services we procure.

- Develop a sustainable procurement policy in line with ISO 20400 to guide supplier expectations and Hydrock's planned journey
- Engagement with supply chain to provide guidance to aid in data maturity and collaborate to collect actual supplier carbon emissions data. Whilst improving data quality, we will concurrently support suppliers with measuring their emissions, setting targets and implementing a reduction plan
- Consider and transition to suppliers with low carbon credentials, if necessary.
- Integrate carbon data measurement, provision and decarbonisation into future strategic contracts.

Scope 3

Our organisation understands that Scope 3 emissions represent the largest source of emissions for companies and present the most significant opportunities to influence GHG reductions.
A subset of 5 scope 3 categories have been included in this report in line with PPN 06/21 and we are actively developing a full GHG emissions inventory in line with GHG Protocol Corporate Standard. Extending scope 3 emissions measurement and reporting to all material categories will

take account of all value chain carbon impacts. This will form the basis of targeted measures to reduce scope 3 emissions. Therefore, improving data capture will strongly underpin our future strategy, to support this we will:

- Rollout a supplier engagement program to knowledge share and collect activity data
- Encourage staff to use the central business travel booking system for all business travel to consolidate data collection and vastly improve data granularity and quality
- Update expense claims process to include better categorisation and limit inputs
- Amendments to central finance system to consistently capture and categorise information and align to scope 3 reporting of emissions from procured goods and services. Including removing the ability to enter free-text data as much as possible and using standardised inputs and dropdown menus.

5. 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 Hydrock Consultants Ltd (company number: 03118932):

Name	Mark Seberry
Position	Executive Board Representative
Date	29 November 2023