



Osborne Group Holdings Ltd

Carbon Reduction Plan

Document Purpose

Our reduction plan is presented in response to the recent Procurement Policy Note (PPN) 06/21 and provides transparency and demonstrates our progress towards building a robust carbon reduction programme.

Commitment to achieving Net Zero

Osborne commits to achieving net-zero Scope 1 and 2 emissions by 2035. Osborne also commits to achieving net-zero Scope 3 emissions by 2040.

In 2020, in support of Osborne Infrastructure Ltd, we pledged to use science-based targets (SBT) with full development of those targets by 2023. Osborne is currently working with an external consultant, Inspired PLC, to develop our science-based targets and net-zero strategy. These targets are not planned to be validated by the Science-Based Targets Initiative but will be aligned with the SBTi's guidelines.

In September 2021, Osborne Infrastructure Ltd was sold so we are currently realigning our carbon reduction strategy. This has resulted in a review of our Carbon Reduction Plan and amendments to our baseline year.



Baseline Emissions Footprint

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.

Baseline Years:
Scope 1 & 2: 1st April 2019 – 31st March 2020 · Scope 3: 1st April 2021 – 31st March 2022

Additional Details relating to the Baseline Emissions calculations.

Osborne have re-calculated their Scope 1 & 2 baseline emissions for 2019/20, as a result of a significant structural change within the company. In September 2021, Osborne sold their Infrastructure business which has substantially decreased Osborne's Scope 1 emissions. In order to provide an accurate representation of the businesses emissions, Infrastructure fuel and energy consumption have been taken out of the baseline data. This is in line with the GHG Protocol recommendations for base year recalculation and will enable like-for-like comparison between 2021/22 and 2019/20, to show actual decarbonisation.

This is the first year that a full Scope 3 inventory has been calculated for Osborne, therefore 2021/22 will be the baseline year for Scope 3 emissions.

The GHG emissions scope boundary, used to establish our 2021/22 baseline, was determined via an operational control model following the GHG protocol. The baseline includes all Scope 1 and 2 emissions in accordance with Streamlined Energy & Carbon Reporting (SECR) requirements, excluding operations over which the Group does not have controlling share. Scope 3 emissions have been calculated as per the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Standard Guidance.

Baseline year emissions:	
EMISSIONS	TOTAL (tCO ₂ e)
Scope 1 (2019/20)	742
Scope 2 (2019/20)	571
Scope 3 (2021/22) (Included Sources)	2,465
	4. Upstream Transportation and Distribution: 23
	5. Waste generated in operations: 413
	6. Business travel: 237
	7. Employee commuting: 1,792
	9. Downstream Transportation and Distribution: N/A ¹
Total Emissions	3,778

¹ Osborne pays for all transportation, including inbound and outbound product distribution. Therefore, Category 9 is not applicable.



Current Emissions Reporting

The table below summarises our emissions by Scope for the most recent reporting period; 1st April 2021– 31st March 2022.

EMISSIONS	TOTAL (tCO ₂ e)
Scope 1	382
Scope 2	490
Scope 3 (Included Sources)	2,465
	4. Upstream Transportation and Distribution: 23
	5. Waste generated in operations: 413
	6. Business travel: 237
	7. Employee commuting: 1,792
	9. Downstream Transportation and Distribution: N/A ²
	3,375

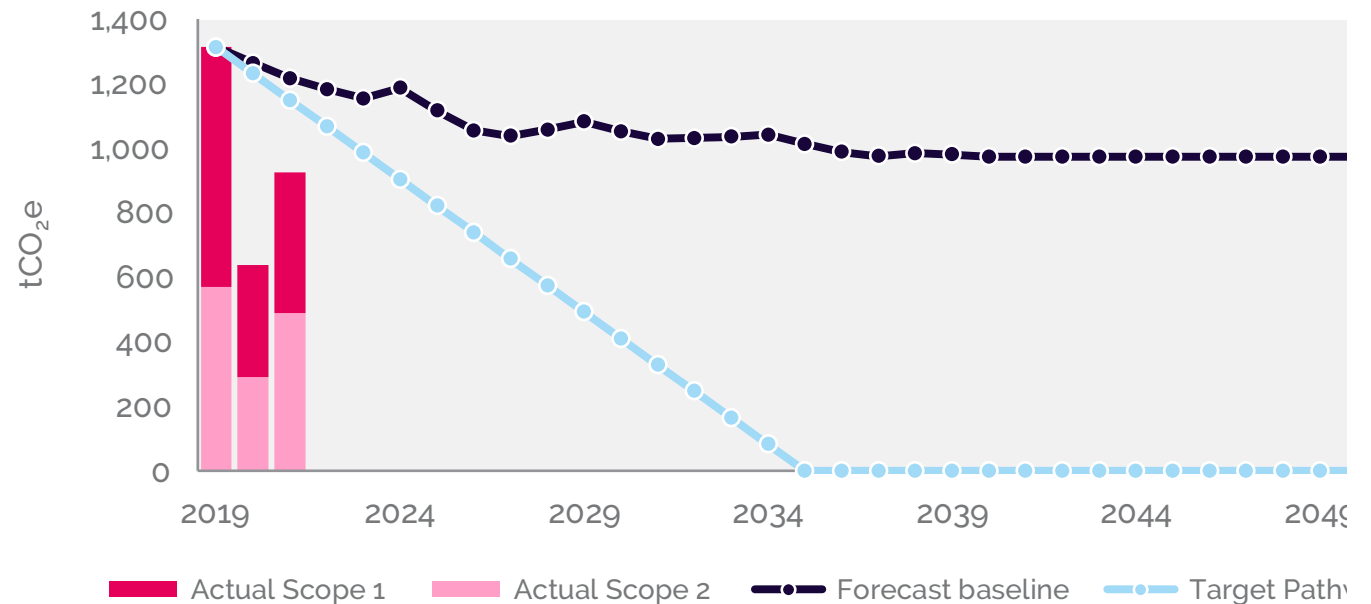
² Osborne pays for all transportation, including inbound and outbound product distribution. Therefore, Category 9 is not applicable.

Emissions reduction targets

Osborne aims to achieve net-zero³ Scope 1 and 2 emissions by 2035.

We are currently in the process of developing a full greenhouse gas inventory, including all applicable Scope 3 emissions. Once our baseline has been established, we will set near-term Scope 3 targets following the SBT recommended pathway, in line with the latest climate science. While this exercise is underway, we continue to monitor our emissions and implement decarbonisation solutions across the business. The charts below shows our actual progress against current Scope 1 and Scope 2 targets, as well as progress against our net zero by 2040 target for Scope 3 emissions.

Progress against our Scope 1 and 2 targets can be seen in the graph below⁴:

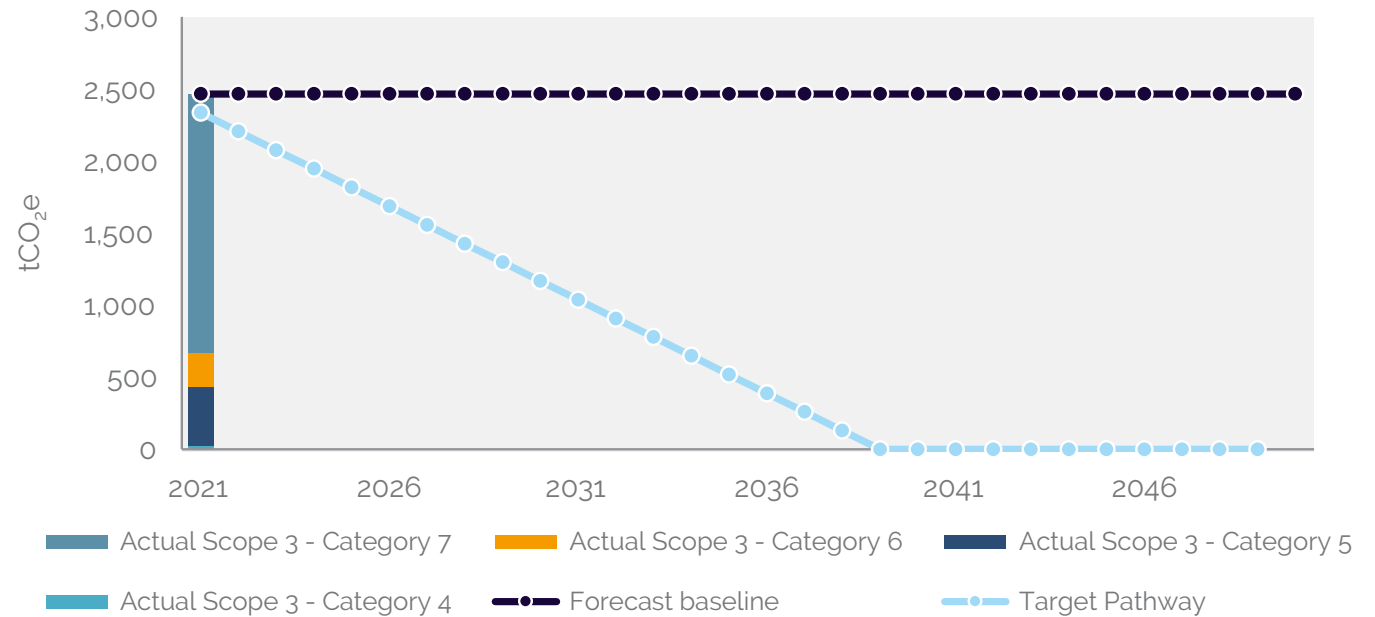


³ To achieve net-zero we are aiming for an at least 90% reduction in absolute emissions compared to our base year – any residual emissions will be offset with carbon sequestration offsets, as per the Science-Based Targets Initiative's Net-Zero Standard guidance.

⁴ The Scope 1 and 2 forecast baseline takes into account projected changes in the UK's electricity grid emissions factor based on the BEIS 'UK's power producers emissions intensity' forecast. No change is assumed in the actual consumption of gas and electricity by Osborne.



Our baseline emissions⁵ and Scope 3 target can be seen in the graph below:



⁵ The baseline forecast assumes to change in the level of Scope 3 emissions associated with Osborne.

Carbon Reduction Projects

Completed Carbon Reduction Initiatives

The following environmental management measures and projects have been completed or implemented since the 2021/22 baseline, and the measures will be in effect when performing the contract. Due to the changes in business structure, Osborne has been unable to measure the emissions reductions associated with these decarbonisation solutions.

- Switched from fossil fuels to HVO for some site equipment, leading to a ~90% reduction in emissions. For example, Renaissance Project showed a decrease in emissions from 12.12 tCO₂e to 0.88 tCO₂e as a result of using HVO instead of diesel in industrial heaters.
- Increased uptake of hybrid and electric vehicles, now forming 15% of our fleet. EVs reduce tailpipe emissions by 100% compared to combustion engines and an average hybrid reduces CO₂ emissions by ~20%⁶ compared to an equivalent non-hybrid model.

- Upgrade of IT to support widespread video conferencing, to reduce employee commuting & business travel
- Implemented a 'Sustainable Office' Guide and 'Switch Off' Campaign to reduce waste and energy consumption in Osborne offices
- Joined Climate Pledge and Race to Zero
- Became Construct Zero Business Champions
- Produced bespoke inhouse embodied carbon calculator
- Moved from exclusive to shared business spaces for two locations
- Appointment of 100% renewable gas and electricity supply for our offices, commencing September 2022
- Calculation of Science Based Targets (ongoing)
- Development of Scope 3 inventory (ongoing)

Identified opportunities considered for implementation.

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

- Collecting pre-manufactured value data – modular offsite manufacture reduces waste by up to 70%, which will also reduce emissions associated with Scope 3, Category 5
- Trialling an embodied carbon and in use carbon calculator
- Collecting data on meters squared of greenspace created
- Procuring lowest carbon concrete on all projects
- Training Procurement, Design and Commercial teams on Circular Economy
- Using HVO powered temporary site generators on all projects
- Producing zero carbon plans for all projects

⁶ According to the UK Briefing from Transport & Environment, an average hybrid emits 92 gCO₂/km and average petrol car emits 120 gCO₂/km

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 standard⁷ and uses the appropriate Government emission conversion factors for greenhouse gas company reporting⁸.

Scope 1 and Scope 2 emissions have been reported in accordance with SECR requirements, and Scope 3 emissions have been reported in accordance with the published reporting standard for Carbon Reduction Plans and the Corporate Value Chain (Scope 3) Standard⁹.

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:



Osborne Group Head of SHE

Date: 26/09/22

⁷ <https://ghgprotocol.org/corporate-standard>

⁸ <https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting>

⁹ <https://ghgprotocol.org/standards/scope-3-standard>





Appendix A

Our GHG Reporting – Supporting Notes for PPN

Methodology

Scope 1 and 2 greenhouse gas emissions have been calculated according to the 2021 UK Government environmental reporting guidance. Consistent with the guidance, relevant emissions factors published in the UK Government's Department for Business, Energy and Industrial Strategy (BEIS) "Greenhouse gas reporting: conversion factors" database specific reporting year have been used. The CO₂ equivalent conversion factor has been used throughout and, where applicable, the kWh gross calorific value (CV) was used.

Scope 1 and 2 emissions have been calculated using a location-based approach. This method calculates emissions associated with fuel and electricity consumption by using UK average emissions intensities. BEIS provides UK emissions factors for fuel and grid electricity annually, which are used in location-based reporting.

Transport related emissions from fuel combustion were calculated using the BEIS "Greenhouse gas reporting: conversion factors" 2021 databases, respectively.

Scope 3 emissions have been calculated based on the guidance in the Greenhouse Gas Protocol "Corporate Value Chain (Scope 3) Standard". Only the five relevant Scope 3 categories (Categories 4,5,6,7 & 9) required for for PPN 06/21 have been included in this report.

For all Osborne operations, applicable Scope 3 categories were identified based on an operational control boundary. Scope 3 emissions for applicable categories were calculated following methodologies outlined in the GHG Protocol "Technical Guidance for Calculating Scope 3 Emissions", with further guidance taken from the GHG Protocol's detailed methodology chapters for each applicable Scope 3 category.

The majority of conversion factors were sourced from the BEIS Greenhouse gas reporting: conversion factors, v1.0 2021 database. Where a spend-based approach was used, as per the GHG Protocol guidance, conversion factors were taken from the University of Leeds and Department for Environment, Food and Rural Affairs' UK Footprint Results (1990 – 2018)' study or the Department for Environment, Food and Rural Affairs' Indirect emissions for the supply chain' database. Scope 3 emissions include Well to Tank and T&D losses.



Osborne