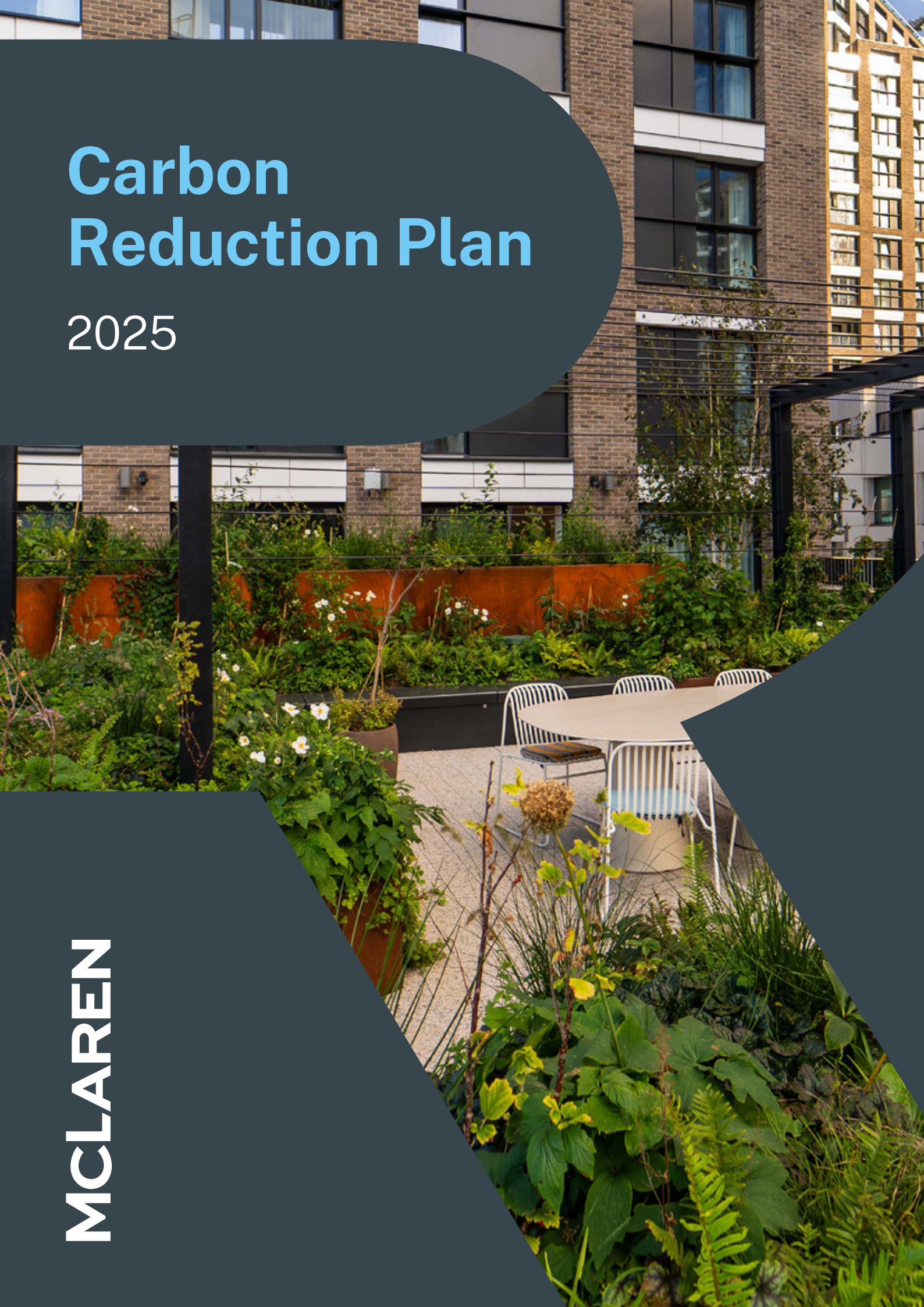
Carbon Reduction Plan

2025



McLAREN

Commitment to achieving Net Zero

McLaren Construction Group is committed to achieve Net Zero Carbon for its direct (Scope 1) and indirect (Scope 2) carbon emissions by FY2025/26. Additionally, the company aims to neutralise its Scope 3 emissions, which include all other indirect emissions in its value chain, by 2045/46.

Building on the baseline

To monitor progress toward its sustainability goals, McLaren has established a revised baseline reporting period from August 1, 2022, to July 31, 2023 (FY 2022/23). While the original baseline was based on FY 2020/21, a reassessment identified FY 2022/23 as more suitable. This decision reflects the robustness of the data for this period and significant changes in McLaren's sector portfolio, such as the inclusion of Data Centres, Public Sector and Student Accommodation. Consequently, FY 2022/23 has been adopted as the baseline for future reporting and tracking purposes.

During this period, McLaren gathered comprehensive data on Scope 1 and 2 emissions and Scope 3 emissions. For office-based employees, commuting emissions in FY 2023/24 were accurately captured through a Commuting & Homeworking Survey, which provided real-time data feedback directly to Planet Mark. This survey replaced the use of proxy data for this specific group, enhancing the precision of reported emissions. For all other employees, commuting emissions continued to be tracked using biometric systems integrated with Biosite, InnDex or recorded on SMARTWaste platforms.

Business travel data was compiled through internal reporting processes, while upstream transportation and distribution emissions were monitored via both the Biosite delivery management system and SMARTWaste. To ensure the accuracy and reliability of this data, it was independently verified by Planet Mark, an impartial third-party verifier specialising in sustainability certification and net-zero initiatives.

As of July 31, 2024, McLaren marks its fifth year of reporting on Scope 1 and 2 emissions and Scope 3 emissions related to waste and business travel. Reporting on emissions from employee commuting and upstream transportation and distribution is now in its fourth year. This consistent and evolving approach to tracking emissions highlights McLaren's commitment to environmental stewardship and its strategic alignment with ambitious Net Zero Carbon targets.

Year: FY2023/24 (Period from August 1, 2023, to July 31, 2024)

EMISSIONS	TOTAL (tCO2e)	
Scope 1 Included Sources	**463.70**	
	Scope 1 Category	**Total (tCO2e)**
	Diesel Fuel (McLaren)	**446.70**
	Biodiesel HVO (McLaren)	**14.50**
	LPG (McLaren)	**2.20**
	Burning Oil (McLaren)	**0.30**
	Petrol Fuel (McLaren)	0
	Natural Gas (McLaren)	0
	Gas Oil (McLaren)	0
	Refrigerants (McLaren)	0
Scope 2 Dual Reporting: Market and Location Based	**409.70**	
	Scope 2 Category	**Total (tCO2e)**
	Electricity (market based)	**409.70**
	Electricity (location based)	1167.70
Scope 3 Included Sources	**4,224.70**	
	Scope 3 Category	**Total (tCO2e)**
	Upstream transportation and distribution	**2,174.10**
	Waste Generated	**435.50**
	Business Travel	**780.00**
	Employee Commuting	**835.10**
	Downstream Transport and Distribution	0
Total Emissions	**5,098.10**	

In FY2023/24 McLaren Construction Group has disclosed that there are no emissions attributed to downstream transportation and distribution resulting from our construction operations. It is noteworthy that during the construction of a building, which constitutes the primary product of McLaren Construction Group, there are no emissions associated with this specific category.

New Baseline Year: FY2022/23 (Period from August 1, 2022, to July 31, 2023)

EMISSIONS	TOTAL (tCO2e)	
Scope 1 Included Sources	**245.30**	
	Scope 1 Category	**Total (tCO2e)**
	Diesel Fuel (McLaren)	**211.10**
	Biodiesel HVO (McLaren)	**7.60**
	LPG (McLaren)	0
	Burning Oil (McLaren)	0
	Petrol Fuel (McLaren)	0
	Natural Gas (McLaren)	**26.6**
	Gas Oil (McLaren)	0
	Refrigerants (McLaren)	0
Scope 2 Dual Reporting: Market and Location Based	**886.00**	
	Scope 2 Category	**Total (tCO2e)**
	Electricity (market based)	**886.00**
	Electricity (location based)	1367.4
Scope 3 Included Sources	**4,757.10**	
	Scope 3 Category	**Total (tCO2e)**
	Upstream transportation and distribution	**2,104.00**
	Waste Generated	**491.40**
	Business Travel	**756.60**
	Employee Commuting	**1405.10**
	Downstream Transport and Distribution	0
Total Emissions	**5,888.40**	

In FY2022/23 McLaren Construction Group has disclosed that there are no emissions attributed to downstream transportation and distribution resulting from our construction operations. It is noteworthy that during the construction of a building, which constitutes the primary product of McLaren Construction Group, there are no emissions associated with this specific category.

Scope	Difference in absolute (%) (between FY2022/23 and FY2023/24)	Difference tCO2e / £m turnover (%) (between FY2022/23 and FY2023/24)
Scope 1	+89.10%	+85.19%
Scope 2	-53.80%	-55.0%
Scope 3	-11.19%	-13.51%

The following comparisons with the baseline reporting period (FY 2022/23) provide valuable insights into emissions trends and operational changes. All emissions have been reported in alignment with PPN 06/21, ensuring compliance with UK Government procurement policy guidelines.

In FY 2023/24, McLaren's total carbon emissions were **5,098.10 tCO2e**, a **13.42% reduction** from **5,888.40 tCO2e** reported in baseline FY 2022/23. Normalised emissions (tCO2e per £ million turnover) also improved significantly, decreasing from **6.54** in baseline FY 2022/23 to **5.51** in FY 2023/24, representing a **15.68% improvement in carbon intensity**. This reduction highlights McLaren's commitment to improving its operational efficiency and emissions performance.

A breakdown of emissions categories reveals:

- **Scope 1 emissions** increased from **245.30 tCO2e** in FY 2022/23 to **463.80 tCO2e** in FY 2023/24, an **89.10% rise**. Normalised emissions in this category increased from **0.27** to **0.50 tCO2e/£m**, an **85.19% rise**. This increase reflects the use of fuel sources such as diesel and HVO to power construction site operations in areas where grid electricity is unavailable or delayed.
- **Scope 2 emissions** decreased significantly by **53.80%**, from **886.00 tCO2e** in FY 2022/23 to **409.70 tCO2e** in FY 2023/24. Normalised emissions in this category also dropped from **0.98** to **0.44 tCO2e/£m**, a **55.10% reduction**, reflecting McLaren's improved energy efficiency and a shift towards REGO backed lower-carbon electricity sources.
- **Scope 3 emissions** decreased from **4,757.10 tCO2e** in baseline FY 2022/23 to **4,224.70 tCO2e** in FY 2023/24, a **11.19% reduction**. Normalised emissions in this category dropped from **5.28 tCO2e/£m to 4.57 tCO2e/£m**, showing a **13.51% improvement**, driven by optimisations in upstream transportation processes and enhanced data capture methodologies.

All reported data have been compiled in line with PPN 06/21, ensuring compliance with public sector reporting requirements and providing transparency in McLaren's emissions management.
Overall, McLaren's focus on data quality, operational efficiency, and expanded reporting boundaries has enabled more accurate emissions reporting. These improvements, combined with third-party verification, provide a robust foundation for tracking progress towards the company's Net Zero Carbon goals and maintaining transparency in its sustainability journey.

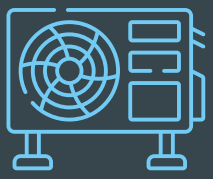
Emissions reduction targets

As part of our commitment to our Annual Carbon Aduit and Planet Mark Certification, McLaren is targeting to achieve a 5% reduction in our total carbon emissions across Scope 1, 2, and 3 categories for the upcoming year.

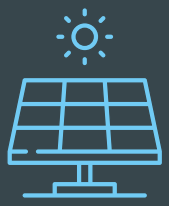
Emissions reduction targets

HVO Fuel in Generators
Transitioned McLaren generators to Hydrotreated Vegetable Oil (HVO) fuel, significantly reducing Scope 1 emissions.

Renewable Electricity Goal
Implemented a requirement for all sites under McLaren's financial control to use a Renewable Energy Guarantees of Origin (REGO) tariff.



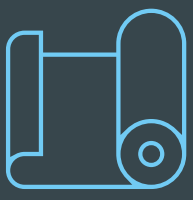
Heat Pumps Deployment
Installed high-efficiency heating and cooling solutions, including Air Source Heat Pumps (ASHPs), at select sites to reduce energy demand and emissions.



Photovoltaic Cells Installation
Added rooftop solar panels for on-site renewable electricity generation, reducing reliance on the grid.

Battery Energy Storage with Hussh Pod Hybrid Generator System
Incorporated a hybrid battery energy storage system to improve fuel efficiency and lower emissions from site power generation.

Glass Recycling Partnership
Partnered with Saint Gobain to recycle glass from construction sites, fostering sustainable waste management practices.



Closed Loop Remanufacturing Scheme
Implemented the Proplex Closed Loop Remanufacturing Scheme at the P4 Project, collecting 12,900 kg of Proplex sheeting, saving 45.15 tonnes of CO2.

Smart Power Management Systems
Deployed smart sockets and timer switches to control the power supply to equipment and heaters, ensuring energy is used only when necessary.

Motion Detectors for Lighting
Installed motion detectors in less frequently occupied areas to automate lighting controls, reducing unnecessary electricity use.

LED Lighting Upgrades
Replaced traditional lighting with LEDs, significantly reducing electricity consumption and maintenance costs.

Building Insulation and Envelope Efficiency
Enhanced building envelopes, including improved insulation and airtight construction, to reduce heating and cooling energy requirements, pushing beyond compliance with the UK's Part L building regulation.

Passive Building Design Measures
Integrated passive design strategies such as optimised double or triple glazing, natural ventilation via openable windows, mechanical ventilation with heat recovery, and low-energy lighting with occupancy detection and photocell dimming.

Green Steel in Construction
On the Mandela Way project, 76% of the structural steel used was produced from Electric Arc Furnace (EAF) steel, known as XCarb, resulting in a saving of over 1,600 tonnes of CO2 emissions compared to the use of the standard Basic Oxygen Furnace (BOF) steel.

Material Passports Implementation
Introduced material passports into projects to enhance resource management and align with circular economy practices.

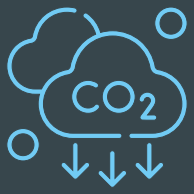
Green Procurement Policies
Adopted procurement policies prioritising eco-friendly products and suppliers, minimising the embodied carbon footprint.

In the future, we aspire to introduce additional measures such as:

No Diesel by 2025/26
McLaren has committed to eliminating diesel usage by 2025/26, with residual emissions offset. This mandate has already accelerated the adoption of alternative fuels, particularly HVO, during FY 2023/24, across all McLaren sites.

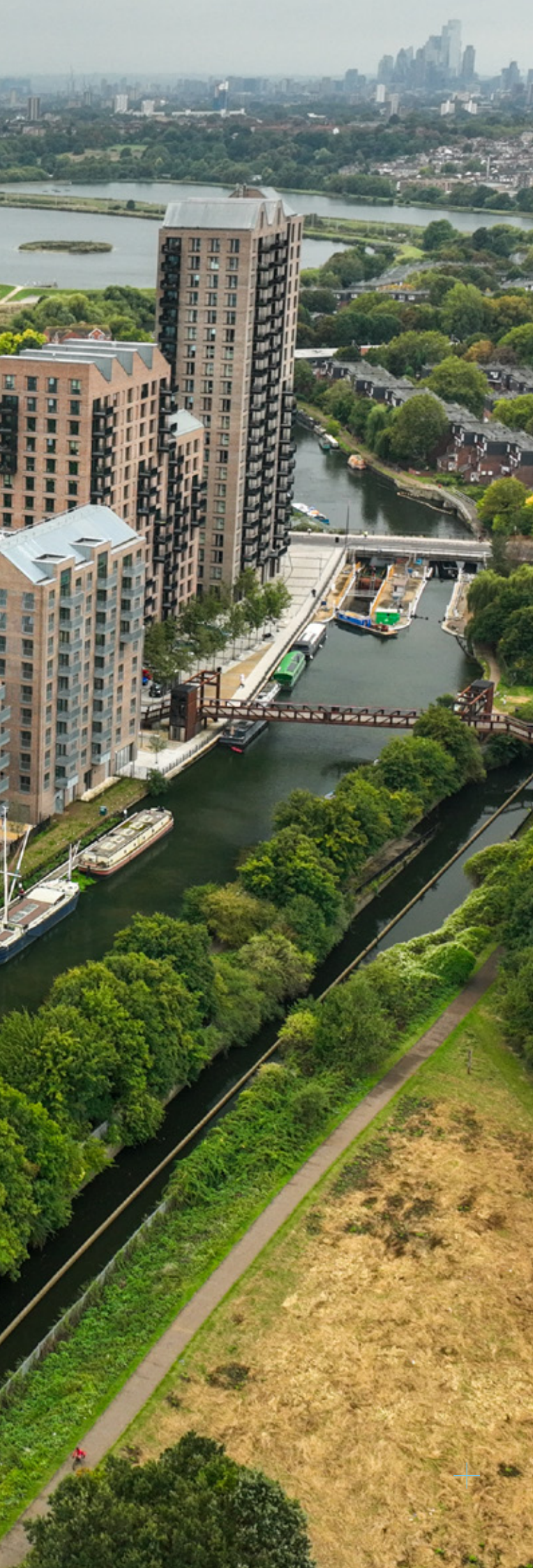
Smart Meters for Energy and Water Monitoring
Plans to install smart meters across sites to provide real-time usage data, enabling identification and implementation of energy and water efficiency improvements.

Hydrogen-Powered Equipment
Transition to hydrogen-powered construction equipment and generators. Hydrogen fuel cells can provide zero-emission energy, especially for off-grid or high-power-demand



Carbon Capture and Storage (CCS) for Construction Sites
Explore portable carbon capture solutions to reduce emissions from site-based diesel generators and other fuel-burning equipment.

Server Room Decommissioning and Temperature Reset
Plans to decommission the server room in the Birmingham office and switch off the cooling system, while resetting the temperature setpoint in the London office server room to 22°C for improved energy efficiency.



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). This document can be found on McLaren Construction Group Website under the following URL PPN-0621-Carbon-Reduction-Plan.pdf (mclarengroup.com).

Signed on behalf of the Supplier:

Adam Nicholson
Group Pre-construction Director

Date: 31/01/2025

McLAREN