

PPN 006: Carbon Reduction Plan

Supplier: McLaren Construction Group PLC

Publication Date: January 2026

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 FY2045/46.

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.

The emissions outlined in this Carbon Reduction Plan are for McLaren Construction Group PLC and specific to the company's UK operations.

Baseline Year: 2023/24

EMISSIONS	TOTAL (tCO ₂ e)																
Scope 1	463.8 <table border="1" data-bbox="491 454 1126 775"> <thead> <tr> <th>Scope 1 Category</th> <th>Total (tCO₂e)</th> </tr> </thead> <tbody> <tr> <td>Diesel Fuel</td> <td>445.4</td> </tr> <tr> <td>Biofuel</td> <td>14.5</td> </tr> <tr> <td>Natural Gas</td> <td>0</td> </tr> <tr> <td>Petrol Fuel</td> <td>0</td> </tr> <tr> <td>LPG</td> <td>2.2</td> </tr> <tr> <td>Burning Oil</td> <td>0.3</td> </tr> </tbody> </table>	Scope 1 Category	Total (tCO ₂ e)	Diesel Fuel	445.4	Biofuel	14.5	Natural Gas	0	Petrol Fuel	0	LPG	2.2	Burning Oil	0.3		
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Scope 3 (Included Sources)	675,536.26 <table border="1" data-bbox="491 1043 959 1686"> <thead> <tr> <th>Scope 3 Category</th> <th>Total (tCO₂e)</th> </tr> </thead> <tbody> <tr> <td>Cat 1: Purchased Goods and Services</td> <td>669,526.42</td> </tr> <tr> <td>Cat 3: Fuel-and Energy-Related Activities</td> <td>721.80</td> </tr> <tr> <td>Cat 4: Upstream Transportation and Distribution</td> <td>2,701.90</td> </tr> <tr> <td>Cat 5: Waste</td> <td>444.83</td> </tr> <tr> <td>Cat 6: Business Travel</td> <td>980.95</td> </tr> <tr> <td>Cat 7: Employee Commuting</td> <td>1,050.63</td> </tr> <tr> <td>Cat 8: Upstream Leased Assets</td> <td>109.73</td> </tr> </tbody> </table>	Scope 3 Category	Total (tCO ₂ e)	Cat 1: Purchased Goods and Services	669,526.42	Cat 3: Fuel-and Energy-Related Activities	721.80	Cat 4: Upstream Transportation and Distribution	2,701.90	Cat 5: Waste	444.83	Cat 6: Business Travel	980.95	Cat 7: Employee Commuting	1,050.63	Cat 8: Upstream Leased Assets	109.73
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Current Reporting Year: 2024/25

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Total Emissions	421,325.75																

Intensification

Scope 1: These are emissions from sources that are owned or controlled by the reporting company. In our construction operations, these arise from McLaren purchased fuels for generators, and for rented plant machinery or vehicle.

A 57% decrease in emissions from FY 2023/24 is due to the increase in HVO fuel usage and decrease in diesel usage. This is due to new McLaren compliance requiring projects to procure HVO. Evidence is requested from suppliers to ensure the HVO procured is authentic and only McLaren approved suppliers must be used when procuring.

Scope 2: These are emissions from the generation of purchased electricity, steam, heating, or cooling consumed by the company. In our construction operations, Scope 2 emissions primarily arise from the electricity used on-site, including power for site offices, welfare facilities, and equipment. These emissions occur at the point of electricity generation rather than on-site but are attributable to our operations as we are the end users of the purchased energy.

Location based electricity reduced by 67.3% due to reduction in overall consumption as well as change in conversion factors regarding decarbonization of the grid. Although there is a decrease in overall electricity consumption, there is an increase in market-based electricity by 14.8% due to a percentage of REGO tariffs on projects decreasing from 72% to 49.5%. This reduction in REGO is due to a clearer estimate this year from better processes, quality checks and tracking and monitoring.

Scope 3: These are all other indirect emissions that occur in the value chain of the company, both upstream and downstream. In our operations, these emissions would include purchased goods and services, business travel and employee commuting, waste disposal, upstream (such as generators) and downstream leased assets (such as Octopus cars).

McLaren's Scope 3 emissions have significantly reduced by 38% due to our commercial sector now bringing in the highest proportion of this financial year's turnover. With an increase in commercial refurbishments ("cut and carves") where circular economy is the primary form of carbon reduction in line with our innovation pathway hierarchy, a significant reduction is seen.

- Category 1: Purchased Goods and Services – Reduction of 38.8% linked to increase in commercial projects encompassed mainly of refurbishments, therefore reduction in key packages materials procured such as concrete and steelwork.
- Category 3: Fuel and Energy-Related Activities – Reduction of 36% in overall Category 3 emissions mainly due to decrease in diesel usage (Scope 1) and electricity consumption (Scope 2).
- Category 4: Upstream Transportation and Distribution – Increase of 179.4% mainly due to HGV usage because of increase in projects leading to increase in distance covered by third party freight.
- Category 5: Waste – Reduction of 18.2% due to reduction of waste going to landfill and materials being recycled. This is related to compliance and McLaren's environmental and sustainability practice. There has also been an increase in energy from waste and water treatment.
- Category 6: Business Travel – Minimal difference to FY2023/24, however slight decrease due to business travel needs.
- Category 7: Employee Commuting – Increase of 60.8% due to increase in projects and therefore need for staff to commute sites.
- Category 8: Upstream Leased Assets – Increase of 18.6% due to increase in projects and therefore need for hire of equipment and plant.

Emissions Reduction Targets

McLaren have identified a clear strategy regarding our emissions reduction. In the short term, McLaren has focused on establishing baseline Scope 1 and 2 emissions and achieving net zero carbon for Scope 1 and 2 in FY 2025/26. by eliminating diesel use and transitioning to renewable energy sources for on-site operations. Medium-term objectives include reducing embodied carbon across the supply chain, enhancing digital reporting, and improving data collection capabilities for climate-related metrics. Long-term goals, such as achieving Net Zero Carbon for Scope 3 emissions by FY 2045/46, demonstrates McLaren's commitment to leading in sustainable construction while contributing to global climate goals.

Scope 1 & 2 Strategy

Our strategy focuses on eliminating fossil fuel dependence, transitioning to renewable energy sources, and driving innovation across our construction sites. By taking a phased approach, we are ensuring that every site under our financial control actively reduces emissions in a structured and measurable way. The strategy is built on the following key principles:

- Level 0: Usage reduction and innovations
- Level 1: HVO procured via McLaren's vetted fuel providers
- Level 2: REGO Tariffs – Renewable energy procured via broker
- Level 3: Onsite Renewables – Range of options including solar, heat pumps, CHP and battery storage.
- Level 4: Corporate PPA – Purchase energy directly from renewable generators with a physical or virtual PPA

Scope 1-Transition to non-fossil Fuels: to reach this target, McLaren aims to transition 100% of its generators to run on non-fossil fuels. This is a key step toward reducing reliance on carbon-intensive energy and this transition is already significantly lowering on-site emissions during construction.

Scope 2 - Renewable energy commitment: McLaren has committed to sourcing 100% renewable energy (REGO-backed) for its offices and sites where energy supply is within its control. This helps align all controlled facilities with McLaren's sustainability standards, directly supporting the company's Scope 1 and 2 net zero targets. These ambitious targets align McLaren with the UK's Carbon Reduction Plan (PPN06/21) and ensures compliance with both national and international climate standards. These targets are supported by detailed tracking and reporting systems, which include project-level metrics and key performance indicators that measure Scope 1, 2, and specific elements of Scope 3 emissions across McLaren's operations and supply chain.

Scope 3 Strategy

McLaren have identified a Scope 3 strategy and is committed to achieving Net Zero carbon emissions by 2045/46 with the aim to achieve this through three phases.

Phase One (2025/26)

Set carbon baselines for the key sectors, identify innovations against our key packages (steel, concrete, façade, temporary works, building services, finishes and drylining), and support small and medium-sized enterprises (SMEs) with training and technology adoption.

Phase Two (2030)

Overcome current limitations and drive sustainable construction forward through strong partnerships with our supply chain and the adoption of new solutions that support our goals.

Phase Three (2045)

Push innovation even further. Develop cutting-edge technologies to drive the industry towards more efficient, low-carbon practices that can address and close the sustainability knowledge gaps in the industry.

In order to achieve the phases described above, McLaren aim to meet them by doing the following:

Advancements in Embodied Carbon Data and Carbon Verification: McLaren have conducted detailed embodied carbon assessments on a project-by-project basis where there is a client requirement. From a business level, McLaren aim to improve its data accuracy and develop sector-specific carbon baselines for its purchased goods and services. To do this McLaren have created a carbon verification tool which aims to bring consistency, accuracy and robustness to all life cycle carbon assessments

undertaken on McLaren projects. These results will feed into the key sector baselines to provide representative outputs. The verification touches on source of input data and assumptions, modelling parameters and methodology. With this more reliable data, the company is shifting from a cost-to-carbon model to a more precise and robust embodied carbon approach in live projects. This shift will enable more accurate carbon reporting and allow McLaren to set data-drive, project-specific carbon reduction targets. This data informs strategic partnerships across McLaren's supply chain to develop innovative carbon reduction solutions, especially in material-intensive projects like industrial and logistics centres.

Supply Chain Innovation and Partnership: McLaren is working closely with its suppliers to reduce Scope 3 emissions. Developing partnerships that focus on circular economy practices, product and design solutions, and cutting-edge delivery methods, McLaren aims to encourage the adoption of low carbon and resource-efficient technologies across its value chain. These collaborations aim to push the technological boundaries and focus on the key packages to achieve the largest carbon reductions required to meet McLaren's long-term net zero objectives. The key sector baselines and carbon reduction innovations and technologies will be outlined in a Governance level Lexicon. The purpose of the Lexicon is to upskill, create awareness and most importantly a single evolving tool (as baselines update and innovations and technologies are found) for reducing carbon emissions at both group and project level.

Decarbonisation Support for SMEs: Recognising the role of small and medium enterprises (SMEs) in its value chain, McLaren is dedicated in helping these businesses to cut their carbon footprints. Through inset schemes and targeted support, McLaren provides resources and guidance to enable SMEs to reduce their carbon footprints, making them active contributors to McLaren's boarder sustainability objectives. The approach helps to build resilience and carbon-conscious practices through the entire value chain.

Completed Carbon Reduction Initiatives

The following environmental management measures and projects have been completed or implemented since the 2023/24 baseline. The carbon emission reduction achieved by these schemes equate to 255,046.91 tCO₂e, a 38% reduction against the 2023/24 baseline and the measures will be in effect when performing the contract.

1. Flybrid Technology for Tower Cranes

Tower cranes are among the highest energy consumers on construction sites, making their efficiency a critical focus. Flybrid technology enhances energy performance by capturing and reusing braking energy, significantly reducing fuel consumption and carbon emissions while lowering reliance on generators.

2. Banned the purchase of diesel

By investing in purchasing alternative fuels, we prioritise reducing emissions associated with fuel burnt. In the FY24/25 McLaren has eliminated diesel from all fuel purchases under our financial control, mandating that all fuel procured must be HVO. This transition built upon the superseded Alternative Fuel Policy, which initially focused on generators' usage of fuels, Non-Road Mobile Machinery (NRMM) and familiarised site teams with sustainable fuel alternatives.

To ensure a seamless transition, we have:

- Developed a Site Set-Up Procedure that clearly outlines fuel requirements, simplifying compliance for site teams and providing a route for Exceptions.
- Created and shared a list of approved fuel providers across the business to ensure accessibility and consistency.
- Informed all site teams of the HVO switch through Sustainability Points of Reference, ensuring that every project is aligned with this commitment.

3. Service Level Agreement (SLA)

McLaren has established a SLA with key plant and fuel providers, ensuring that all fuel purchased is exclusively HVO (Appendix A). This agreement formalises our transition away from diesel and enhances transparency in fuel consumption across our sites:

- Mandates that all fuel supplied must be HVO, eliminating diesel from our financially controlled operations.
- Suppliers are required to provide monthly consumption reports, allowing us to track fuel usage and monitor progress towards our sustainability targets.

4. New brokerage deal with Open Energy Market (OEM)

To achieve this, we transitioned from using Corporate Utilities as our energy broker to a new partnership with Open Energy Market (OEM). Both brokers operate under contractual agreements that mandate the procurement of 100% REGO-backed renewable electricity, ensuring that all grid-connected power on our sites is sourced sustainably.

1. Previously, we faced challenges in procuring REGO certifications to prove our sites' compliance. Now, contractual agreements ensure all energy procured is verifiably green.
2. Open Energy Market provides transparency over our energy contracts, suppliers, and market positioning, allowing us to make more informed decisions.
3. Corporate Utilities will continue to manage existing contracts until they expire at the end of 2026. After this, all new energy procurement will be handled exclusively through Open Energy Market.

5. Smart Meters for Energy Monitoring

For the third quarter of FY24/25, a rollout of smart energy meters across our project sites has been proposed to strengthen our approach to energy management. As part of this initiative, all new sites will be required to install a **half-hourly meter** (smart metre) on their primary electricity meter.

This standardisation is intended to streamline reporting and prevent the risk of double counting energy usage. Each site should ideally operate with a single main meter; however, in cases where multiple meters are in use, the justification for this arrangement must be clearly documented and shared internally. This will ensure transparency and consistency in data collection and reporting.

With regard to metering costs, Siemens – chosen partner by OEM - has provided the following pricing structure:

- Low Voltage connections
 - Metering: £346 p.a.
 - Data Collection: £182 p.a.
- High Voltage connections
 - Metering: £478 p.a.
 - Data Collection: £189 p.a.

These costs will need to be factored into project budgets and energy planning from the outset.

By integrating half-hourly meter data into OEM's platform, we can automate reporting processes and identify opportunities for energy efficiency improvements across our projects.

Supply Chain Partner: **Siemens via OEM**

6. 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. – carbon cure

7. 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.

Future Initiatives

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

Scope 1 & 2

1. Hydrogen-Powered Generators

Potential trials aimed at assessing the feasibility of hydrogen in reducing site emissions while maintaining reliable energy supply. *Supply Chain Partner: GeoPura*

2. Combustion Optimisers

Fuel emulsifiers and conditioners are additives or technologies designed to improve the combustion efficiency of fuels. They work by modifying fuel properties, reducing emissions, and improving overall engine performance. *Supply Chain Partner: SulNOx & Sunbelt*

3. Battery Storage Solutions

Battery storage systems on-site to optimise energy usage, reduce peak demand, and maximise the integration of renewable electricity. These systems help to stabilise power supply, reducing reliance on fuel-powered generators. *Supply Chain Partner: Sunbelt, Speedy and John F Hunt*

4. Telematics

By integrating supplier data with our own systems, we have the potential to obtain real-time tracking of fuel consumption and equipment efficiency, helping to identify further opportunities for emissions reduction. *Supply Chain Partner: Sunbelt, Speedy and John F Hunt*

5. Bowsers

Installing fuel bowsers and purchasing fuel in bulk via probes could reduce deliveries, costs, and emissions. It might secure better fuel rates, improve efficiency, and allow subcontractors to refuel on-site, cutting downtime and aligning emissions tracking with project goals.

Supply Chain Partner: Sunbelt, Speedy and John F Hunt

6. ESOS Management

We plan to explore the integration of Energy Savings Opportunity Scheme (ESOS) compliance into our OEM platform. By embedding ESOS data, audit trails, and recommendations into the system, we can streamline regulatory reporting, monitor progress on energy-saving initiatives, and better identify cost-saving opportunities across our operations.

Supply Chain Partner: OEM

7. Smart Meters for Water Monitoring

McLaren plan to smart metering for water monitoring alongside the smart metering installed for energy monitoring. Similar to energy monitoring each site should ideally operate with a single main meter; however, in cases where multiple meters are in use, the justification for this arrangement must be clearly documented and shared internally. This will ensure transparency and consistency in data collection and reporting.

Supply Chain Partner: OEM

Scope 3

With Scope 3 emissions making up the majority of our annual emissions, McLaren are prioritising reductions, as this will have significant impact and have com up with the following pathway split into three phases.

Phase One (2025/26)

Set carbon baselines, identify innovations against our key packages (steel, concrete, façade, temporary works, building services, finishes and drylining), and support small and medium-sized enterprises (SMEs) with training and technology adoption.

Phase Two (2030)

Overcome current limitations and drive sustainable construction forward through strong partnerships with our supply chain and the adoption of new solutions that support our goals.

Phase Three (2045)

Push innovation even further. Develop cutting-edge technologies to drive the industry toward more efficient, low-carbon practices that can address and close the sustainability knowledge gaps in the industry.

McLaren Innovation Pathways

We believe in early collaboration with our stakeholders, exploring innovation pathways, and reducing carbon emissions. Working together, our Sustainability and Project teams create strategic roadmaps and understand the feasibility of implementing innovations on projects, considering carbon, cost, programme, and design implications. This allows our clients to make informed decisions tailored to their projects, which also benefits the wider community.

- **Circular Economy:** Prioritising retention, reuse, and recycling of materials, and we view our existing buildings and refurbishment projects as material banks. Where possible, we strive to create a fluid market where our competitors are also our collaborators. We work closely with organisations like Reusefully and Maconda to identify and catalogue materials for reuse at project inception. We collaborate within, as well as with, the wider industry to keep valuable resources in circulation. We're also patron members of ASBP (The Alliance for Sustainable Building Products).
- **Design Solutions:** Design is where some of the biggest impact lies. We start early and choose wisely – finding engineering solutions to optimise design and material specifications. Our Project teams also conduct Optioneering workshops during tender and project kick-off to challenge design and specifications. We focus on our successes and lessons learned from previous projects, using them to maximise efficient and sustainable outcomes.
- **Product Solutions:** Once carbon reduction through circular economy and design solutions have been embedded and implemented, the use of lower carbon alternatives is also explored. The sustainability and supply chain teams are consistently on the lookout for innovative materials and technology, by engaging with suppliers and simultaneously expanding our approved sub-contractors and recommended supplier list.

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 standard¹ 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 the Supplier:



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Adam Nicholson

Group Pre-Construction Director

Date:25.02.26.....

Appendix A

Emission	Scope	Data Source & Methodology
Scope 1		
Fuels (Stationary Combustion & Mobile Combustion) <ul style="list-style-type: none"> • Petrol (litres) • Diesel (litres) • Biodiesel (litres) • HVO (litres) • Natural Gas (kWh) 	Stationary: Fuel purchased by McLaren for on-site operations, such as generators, site cabins, lighting towers, tools and power equipment (e.g., drills, saws, compressors). Mobile: Fuel purchased by McLaren for on-site operations, such as excavators, forklifts, cranes.	Data was collected from Smartwaste where site teams upload delivery notes. McLaren teams verify this information as part of our audit process to ensure data completeness and accuracy. It has therefore been assumed that all data has been uploaded into Smartwaste, hence no estimates were required to fill any gaps.
Fugitive Emissions (Refrigerants)	Emissions from intentional or unintentional releases, including equipment leaks and refrigerant emissions.	Not applicable to McLaren Construction Group PLC as our office spaces are owned by other organisations who capture this data within their annual reporting.
Scope 2		
Purchased Electricity	Emissions from the generation of purchased electricity consumed by the company	For sites, SmartWaste currently tracks electricity usage, while energy bills are used for head office locations. In the future, electricity usage will be tracked through the Electricity Brokerage Platform.
Purchased Energy	Emissions from the generation of purchased or acquired energy such as steam, heating, and cooling.	Not applicable to McLaren Construction Group PLC as this is not purchased.
Scope 3		
Category 1: Purchased goods and services	Emissions from the production of goods and services purchased by the company.	Based on spend data which is currently the most full and representative dataset. This also includes subcontractor fuels and photocopier paper. In line with our Scope 3 reduction plan

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		described in the main report, embodied carbon accounting will be added in the future.
Category 2: Capital goods	Emissions from the production of capital goods purchased by the company.	Included within our Category 1: Purchased Goods and Services as it forms part of our spend data.
Category 3: Fuel and energy related activities	Emissions related to the production of fuels and energy purchased by the company, not already accounted for in Scope 1 or Scope 2.	This includes emissions from the extraction, production, and transportation of fuels purchased by McLaren. It also covers emissions generated during electricity production before it is supplied to McLaren, as well as energy losses that occur during the transmission and distribution (T&D) of purchased electricity.
Category 4: Upstream transportation	Emissions from the transportation and distribution of goods purchased by the company, including inbound logistics.	Data was collected from Smartwaste where site teams upload delivery notes. McLaren teams verify this information as part of our audit process to ensure data completeness and accuracy. It has therefore been assumed that all data has been uploaded into Smartwaste, hence no estimates were required to fill any gaps.
Category 5: Waste	Emissions from third-party disposal and treatment of waste generated by the company's operations.	Data was collected from Smartwaste, Biosite and Inndex.
Category 6: Business travel	Emissions from employee business travel in vehicles not owned or operated by the company, such as commercial flights or rental or private cars.	Data was collected from Smartwaste where site teams upload waste tickets.
Category 7: Employee commuting	Emissions from the transportation of employees between their homes and workplaces.	For commuting to site, data was collected from Smartwaste, Biosite and Inndex. For commuting to McLaren offices (assuming 4 days working from the office and 1 day from home): <ul style="list-style-type: none"> • Canary Wharf: Average distance was calculated and this was multiplied by emissions for public transport travel.

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		<ul style="list-style-type: none"> Birmingham Office: Average distance was calculated and this was multiplied by emissions for car travel. <p>McLaren works with Octopus to provide employees with an electric car scheme. This data has swapped out for those enrolled on the scheme and working from the Birmingham office.</p>
Category 8: Upstream leased assets	Emissions from the operation of assets leased by the company (lessee) not included in Scope 1 and Scope 2.	Emissions from leased assets used by McLaren, such as Temporary site offices and cabins, generators, Portable toilets and sanitation facilities, Tools and power equipment and site radios, calculated using a spend-based approach.
Category 9: Downstream transportation and distribution of sold products	Emissions from transportation and distribution of products sold by the company between the company's operations and the end consumer, not paid for by the company.	Not applicable to McLaren Construction Group PLC
Category 10: Processing of sold products	Emissions from processing of intermediate products sold by the company by third parties.	Not applicable to McLaren Construction Group PLC
Category 11: Use of sold products	Emissions from the end use of goods and services sold by the company.	Not applicable to McLaren Construction Group PLC
Category 12: End-of-life treatment of sold products	Emissions from the waste disposal and treatment of products sold by the company at the end of their life.	Not applicable to McLaren Construction Group PLC
Category 13: Downstream leased assets	Emissions from the operation of assets owned by the company and leased to other entities, not included in Scope 1 and Scope 2.	Not applicable to McLaren Construction Group PLC
Category 14: Franchises	Emissions from the operation of franchises not included in Scope 1 and Scope 2.	Not applicable to McLaren Construction Group PLC

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Category 15: Investments	Emissions associated with the company's investments in equity and debt.	Not applicable to McLaren Construction Group PLC
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