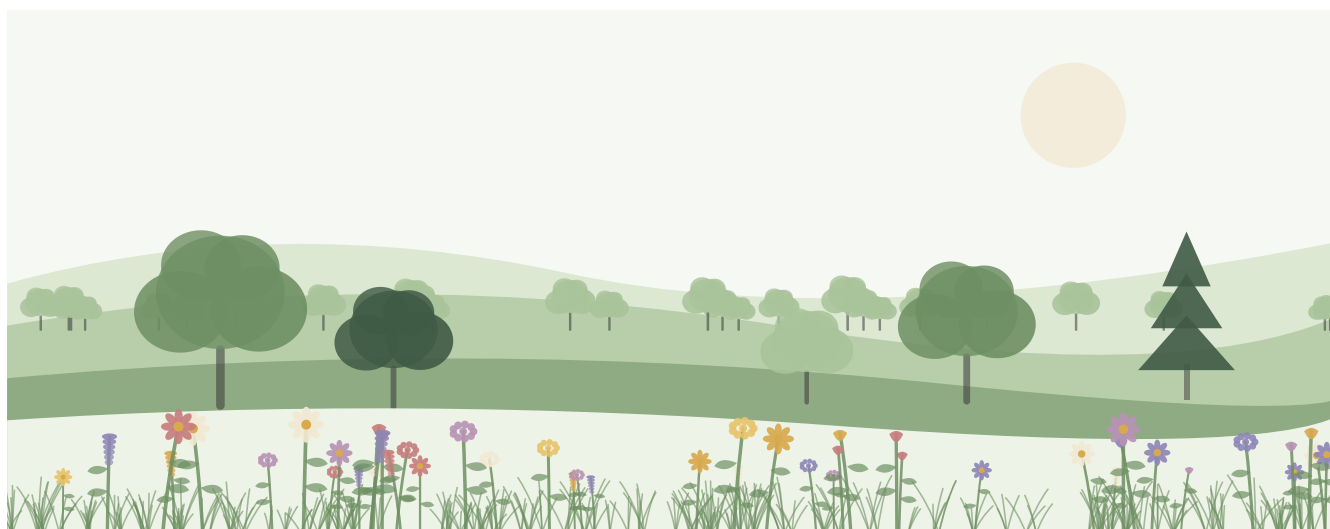


Route to Carbon Neutral by 2050

Decarbonising how we build, what we build with, and the ground we leave behind



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APPLIES TO Aitch Construction (London) Ltd and all contracting divisions

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Statement of intent

Aitch Construction will be carbon neutral across all of its emissions by 2050. We will get there by reducing emissions at source rather than by purchasing our way out of them, and we will measure and publish our progress every year between now and then.

Construction is responsible for a substantial share of national emissions, and the greater part of that share is not in the fuel we burn on site — it is locked into the concrete, steel, glass and aluminium we specify and install. A contractor that decarbonises only its own vans and generators has addressed a small fraction of its true footprint. This strategy is written on that understanding.

We are a developer-led contractor. That gives us influence earlier in the process than most contractors have — at the point where structural form, material selection and site strategy are still open, which is where the majority of a building's whole-life carbon is determined. We intend to use that position.

We also build in London, on constrained urban sites, frequently alongside occupied homes. The ground we hand back matters. Every scheme we deliver is an opportunity to leave more tree canopy, more habitat and more planted, permeable, living surface than we found — and this strategy treats that as an integral part of our environmental commitment rather than a landscaping line item.

This is a twenty-four year commitment. It will outlast individual projects, individual clients and, in all likelihood, individual careers. It is therefore written as a governed programme with interim targets, named accountability and annual reporting, not as a statement of ambition.



What we mean by carbon neutral

Terminology in this field is used loosely and, at times, misleadingly. We set out our definitions plainly so that clients, funders and auditors can hold us to them.

TERM	HOW WE USE IT
Scope 1	Emissions we produce directly — site plant, generators, heating, our own vehicles.
Scope 2	Emissions from the electricity we purchase for offices, site accommodation and site power.
Scope 3	Everything else in our value chain — principally the embodied carbon of materials and products we buy and install, together with subcontracted activity, waste, transport and employee travel. For a contractor this is typically the overwhelming majority of the total.
Net zero	Emissions reduced as far as technically and economically possible in line with a 1.5°C-aligned trajectory, with only a genuinely residual remainder balanced by permanent carbon removals.
Carbon neutral	A balance of emissions and removals in a given year. Because this can in principle be achieved by offsetting without reducing, we commit to reaching it <i>via</i> the net zero route above — deep reduction first, removals only for the residual.

Our commitment in one sentence. We will reduce absolute emissions across Scopes 1, 2 and 3 on a science-aligned trajectory, and will balance only the residual that cannot be engineered out — using permanent removals, not avoidance credits.

Standards we will work to

The strategy is aligned to the framework of the Climate Change Act 2008 as amended, under which the UK is committed to net zero by 2050. Our reduction targets will be set and validated against the Science Based Targets initiative Corporate Net-Zero Standard. Project carbon will be assessed using the RICS professional standard on whole life carbon assessment, second edition, and reported against the UK Net Zero Carbon Buildings Standard, version 1 of which was published in March 2026 and for which independent third-party verification became available during 2026. Carbon neutrality claims will be substantiated in accordance with ISO 14068-1. The strategy sits within our environmental management system, structured in accordance with ISO 14001.

A revised edition of ISO 14001 is expected during 2026 with a strengthened treatment of climate change, biodiversity and lifecycle impacts. This strategy will be re-baselined against the revised standard on publication.

Where we start

Nothing in this strategy can be managed until it is measured. The first phase is therefore about establishing a defensible baseline rather than about reduction.

Baseline year

We will adopt a fixed baseline year and hold it for the duration of the strategy, restating only where there is a material structural change to the business such as an acquisition or a significant change in turnover mix. All future performance is reported against that baseline in both absolute terms and on an intensity basis normalised to turnover and to constructed floor area, so that growth is not mistaken for failure and contraction is not mistaken for progress.

What we will measure

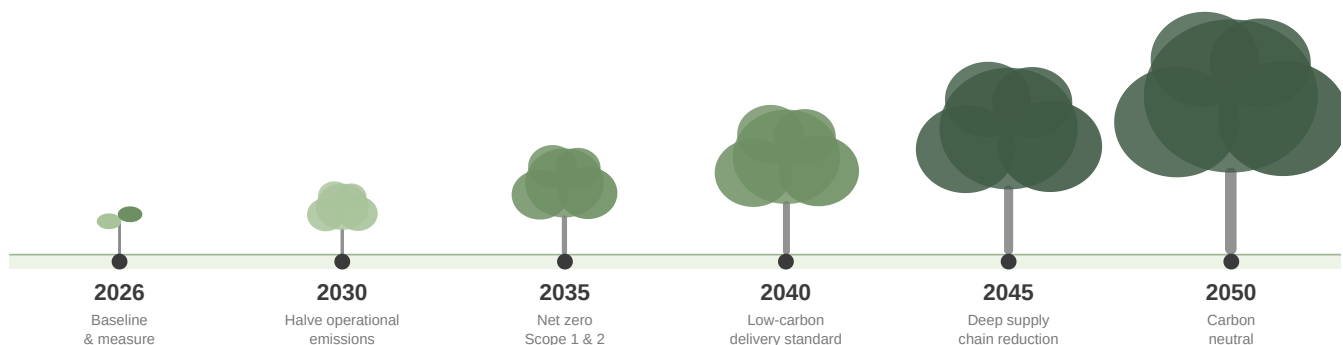
- Scope 1 — fuel consumed by owned and leased plant, generators and vehicles, measured from purchase records rather than estimated;
- Scope 2 — purchased electricity, reported on both location-based and market-based methods;
- Scope 3 — purchased goods and services, capital goods, fuel and energy related activities, upstream transport, waste generated in operations, business travel, employee commuting, and subcontracted works. Initial quantification will use spend-based factors, transitioning to supplier- and product-specific data as Environmental Product Declarations become available across the packages we buy;
- Project-level whole life carbon, assessed at design stage and re-stated as-built, on every scheme above a threshold to be set by the Board.

Data quality

Spend-based carbon accounting is a starting point, not a destination. It cannot detect the difference between a low-carbon and a conventional product bought at the same price, which means it cannot reward good procurement. Improving data quality — moving from spend factors to Environmental Product Declarations and supplier-specific data — is therefore treated in this strategy as a reduction measure in its own right, because it is what makes reduction visible.

The pathway to 2050

The trajectory is deliberately front-loaded. The measures available in the first decade — electrification of site power, fuel switching, renewable procurement, better data and low-carbon specification — are largely available now and comparatively inexpensive. The measures required in the final decade depend on decarbonisation of cement, steel and the grid, and are largely outside our direct control. We therefore take the reductions we can take early, and do not rely on future technology to do the work.



Indicative trajectory. Interim targets are set out in full at section 11 and are subject to Board calibration against the validated science-based target.

Phase one — 2026 to 2030: measure and cut the obvious

Baseline established and third-party verified. Diesel eliminated from site plant wherever an electric or alternative-fuel equivalent exists, and displaced by hydrotreated vegetable oil where it does not. Temporary grid connections designed in at pre-construction on every scheme rather than defaulting to generators. One hundred per cent certified renewable electricity across offices and sites. Fleet transition to electric and plug-in hybrid on replacement. Whole life carbon assessment introduced as standard on every project.

Phase two — 2030 to 2035: net zero in our own operations

Scopes 1 and 2 brought to net zero. Fully electric site set-up as the default position, with battery storage and on-site generation where site conditions allow. Fossil fuel use restricted to exceptional circumstances subject to individual approval.

Phase three — 2035 to 2045: the supply chain decade

This is where the strategy is won or lost. Progress depends on supplier-level decarbonisation commitments, on the availability of low-carbon cement and near-zero-emission steel at scale, and on our willingness to specify and pay for them. Procurement decisions become carbon-weighted rather than price-only.

Phase four — 2045 to 2050: closing the residual

Remaining emissions addressed through continued reduction and, for the irreducible remainder, permanent carbon removals procured to a defined quality standard.

01 Our own operations

SCOPE 1 AND SCOPE 2

This is the smallest part of our footprint and the part we control absolutely. There is no credible reason for it to be the last thing we address.

Site energy

The single largest operational intervention available to a contractor is to stop running sites on diesel generators. We will design temporary power into the pre-construction phase of every project, securing an early permanent or temporary grid connection so that the site runs on mains electricity from the earliest practicable date. Where a connection genuinely cannot be obtained in time, we will use battery hybrid systems sized to the actual load profile rather than to peak demand, and alternative fuels in place of red diesel.

Plant and equipment

Electric plant is specified in preference to diesel wherever a suitable machine exists, and this requirement is written into our plant hire arrangements so that the default supplied item is the low-emission one. Idling controls, telematics and operator training reduce consumption on the plant that remains. On constrained London sites the co-benefits are immediate: lower noise, no exhaust at street level, and materially easier compliance with the Non-Road Mobile Machinery requirements that apply in the Low Emission Zone.

Site accommodation

Cabins specified to a high thermal standard with heat pump heating, LED lighting, occupancy sensing and sub-metering, so that consumption is visible at the point of use. Solar arrays on cabin roofs where orientation and duration justify them.

Offices and fleet

Renewable electricity tariffs across all premises, with heating electrified on plant replacement. Company vehicles transitioned to electric at end of lease, with charging provision at our offices and at longer-duration sites. Travel hierarchy applied so that the lowest-carbon practicable mode is the default for business travel.

02 Embodied carbon

THE CARBON IN WHAT WE BUILD

Between two thirds and the great majority of the lifetime carbon of a new building is embodied in its structure and fabric before anyone occupies it. As operational energy standards tighten, that proportion rises. This is the material issue for a contractor, and it is decided early.

The influence curve. The ability to reduce whole-life carbon is at its greatest at concept and falls away rapidly through design development. By the time a contractor is appointed under a traditional route, most of the carbon is already fixed. Our developer-led model and our pre-construction service agreements give us access to the part of the curve where the decisions are still open — and we will use that access to bring carbon into the conversation alongside cost and programme.

Design-stage intervention

- **Build less.** Test retention and reuse of existing structure before assuming demolition. The lowest-carbon frame is the one already standing.
- **Build efficiently.** Challenge structural grids, slab depths, transfer structures and foundation design. Rationalising a grid or removing a transfer slab saves more carbon than any material substitution.
- **Build with less carbon.** Cement replacement in concrete mixes; electric arc furnace and high-recycled-content steel; responsibly sourced timber where the structural solution and fire strategy permit; reduced use of aluminium and virgin plasterboard.
- **Build for longevity and adaptability.** Design for disassembly, service life and future change of use, so that the carbon invested lasts.

Assessment and target setting

Whole life carbon assessment carried out to the RICS professional standard at design stage and restated as-built, with results benchmarked and reported. Where clients set carbon targets, we will price and programme to them; where clients do not, we will advise on what is achievable and at what cost.

Facades and remediation

Our facade and remediation work carries a particular argument in its favour: remediating and re-cladding an existing building almost always represents a fraction of the carbon of replacing it. We will quantify and communicate that saving on remediation schemes rather than leave it unstated.

03 The supply chain

WHERE MOST OF OUR CARBON ACTUALLY SITS

We cannot reach carbon neutrality alone, and we will not reach it by requiring our supply chain to sign a declaration. Reduction in Scope 3 requires suppliers who are themselves measuring and reducing, and requires us to buy from them on terms that make it worth their while.

A staged approach

STAGE	WHAT WE ASK OF THE SUPPLY CHAIN
To 2030	Carbon data requested at tender for major packages. Environmental Product Declarations sought for principal materials. Supply chain briefed on the strategy and on what will be required of them.
2030–2035	Carbon data mandatory for all significant packages. Suppliers asked to hold their own reduction target. Carbon performance introduced as a weighted criterion in package tender assessment.
2035–2045	Science-aligned reduction commitments expected from strategic suppliers as a condition of framework status. Carbon weighting increased. Collaborative reduction projects with key manufacturers.
2045–2050	Near-zero materials specified as standard where available. Residual-only exceptions individually approved.

Local sourcing and transport

Material transport is a small share of embodied carbon but a visible one, and it carries significant co-benefits on constrained urban sites. Consolidation centres, full-load deliveries, booked delivery windows and river and rail freight where geography allows reduce both emissions and local disruption.

Fairness

Much of our supply chain consists of small and medium-sized businesses without carbon accounting resource. Imposing requirements without support simply excludes good subcontractors. We will provide templates, guidance and direct assistance, and we will phase requirements so that the supply chain has time to build capability.

04 Materials, waste and reuse

CIRCULAR ECONOMY IN PRACTICE

Waste is embodied carbon that has been paid for twice — once to manufacture and once to dispose of. Reducing it is one of the few carbon measures that reliably saves money at the same time.

- **Pre-demolition and pre-refurbishment audits** on every scheme involving existing structure, identifying what can be retained, reused in situ, reused elsewhere or recycled, before anything is broken out.
- **Design out waste** through dimensional coordination to standard material sizes, offsite manufacture and prefabrication where it genuinely reduces material use, and accurate ordering supported by digital take-off.
- **Segregate at source** with a target of high diversion from landfill and, more meaningfully, a target for reduction in total waste arisings per square metre.
- **Reuse and material passports** — recording what is installed and where, so that a future refurbishment can recover it rather than skip it.
- **Water** — metering, leak detection and rainwater harvesting on longer projects, and specification of water-efficient fittings.



A note on offsetting

We will not use offsetting to substitute for reduction. Where we buy carbon credits at all before 2050 it will be described honestly as contribution rather than as neutralisation, and it will not be counted against our reduction targets. Removals purchased to balance the residual from 2050 will be permanent, additional, independently verified, and disclosed in full — type, volume, vintage, provider and price.

05 Nature, biodiversity and landscape

THE GROUND WE HAND BACK

Carbon accounting alone produces a narrow view of environmental performance. A site can be delivered with impeccable emissions data and still hand back a sterile, sealed, lifeless plot. Our schemes sit in dense London neighbourhoods where green space is scarce, surface water has nowhere to go, and summer heat is amplified by hard surfaces. What we plant is not decoration — it is drainage, cooling, shade, habitat and public amenity.



Soft landscaping elements deployed across our schemes — each performing a drainage, cooling, habitat or amenity function alongside its visual role.

Protecting what is already there

Existing trees are irreplaceable in the timescales that matter. A semi-mature tree removed and replaced with a nursery stock sapling represents decades of lost canopy, lost shade and lost sequestration. Tree protection is designed at pre-construction, set out before mobilisation and policed throughout — root protection areas fenced and respected, no storage, no wheel washing, no cabin siting within them, and arboricultural supervision for any work in proximity.

Biodiversity net gain

Mandatory biodiversity net gain under the Environment Act 2021 sets a floor, not a target. We will deliver the required gain on site in preference to purchasing off-site units wherever the scheme allows, on the principle that the ecological and social benefit should accrue to the community that lives with the construction.

Planting principles

- **Native and pollinator-friendly species** selected for the specific conditions of the site, with a mix that provides nectar across the full season rather than a single spring flush;
- **Wildflower meadow in preference to amenity lawn** where the maintenance regime can be secured — richer habitat, lower carbon in upkeep, and no irrigation demand once established;
- **Trees planted with the rooting volume they need to survive** — structural soils, load-bearing tree pits and passive irrigation, because a tree planted into a compacted urban pit without soil volume is a decade-long failure waiting to happen;
- **Green and biodiverse roofs** with varied substrate depth, specified for habitat value rather than uniform sedum;
- **Rain gardens and permeable surfacing** integrating sustainable drainage into the landscape rather than burying it;
- **Habitat features** — bird and bat boxes, invertebrate habitat, hedgehog highways and log piles, specified and installed rather than left as a drawing note.

Getting it established

Most landscape failure happens in the first three summers. We will secure defined establishment and aftercare periods, with watering, weeding and replacement obligations properly priced into the landscape package, and we will hand over a maintenance specification that the eventual manager can actually follow.

Accountability

ROLE	ACCOUNTABILITY
Board	Owns the 2050 commitment; approves interim targets and the investment required; reviews performance annually.
Operations Director	Strategy owner. Accountable for delivery of the programme and for its integration into pre-construction, procurement and bidding.
Delivery Director	Accountable for operational carbon performance on site and for the plant, energy and waste measures.
SHEQ Manager	Carbon accounting, data collection and quality, reporting, and audit against ISO 14001.
Design Manager	Whole life carbon assessment, low-carbon specification and design-stage reduction.
Commercial Manager	Carbon criteria in package tendering; supply chain data requirements; pricing of low-carbon alternatives.
Project Managers	Site-level delivery of the energy, plant, waste, tree protection and landscape requirements.

Competence

Carbon literacy training for all staff, with deeper technical training for design, commercial and project management. Carbon objectives written into personal performance reviews at management level, so that the strategy is reflected in how people are assessed rather than only in how the company is described.

Embedding

The strategy is delivered through existing systems rather than alongside them. Carbon requirements are written into the divisional operating manuals, into pre-construction and tendering procedures, into subcontract scopes of work and into the project reporting suite, so that compliance is the normal way of working rather than an additional task.

Interim targets

Proposed for Board calibration and for validation against a science-based target. Percentages are stated against the fixed baseline year.

BY	TARGET	MEASURE
2027	Verified baseline published across Scopes 1, 2 and 3; whole life carbon assessment standard on all qualifying projects	Baseline report
2028	100% certified renewable electricity across offices and sites	Scope 2 market-based
2030	50% reduction in absolute Scope 1 and 2 emissions; grid connection or battery hybrid on all new sites; 30% of packages supported by product-specific carbon data	Absolute tCO ₂ e
2032	25% reduction in embodied carbon intensity of delivered projects	kgCO ₂ e/m ²
2035	Net zero Scope 1 and 2; fully electric site set-up as default	Absolute tCO ₂ e
2040	50% reduction in Scope 3 intensity; carbon-weighted procurement across all significant packages	tCO ₂ e per £m
2045	75% reduction in whole-life carbon intensity of delivered projects against baseline	kgCO ₂ e/m ²
2050	Carbon neutral across Scopes 1, 2 and 3, with residual balanced by permanent verified removals	Verified statement

Alongside carbon

BY	NATURE AND RESOURCE TARGETS
2028	Pre-demolition audit and tree protection plan on 100% of applicable schemes
2030	Biodiversity net gain delivered on site in preference to off-site units on the majority of schemes; zero avoidable waste to landfill
2035	30% reduction in waste arisings per square metre; material passport issued on all new-build schemes
2040	Net positive canopy cover across the delivered portfolio

Residual emissions and removals

Some emissions will remain in 2050. Cement chemistry releases carbon dioxide as a matter of physics rather than of fuel choice, and while that is a problem the cement industry is working hard on, it would be imprudent to assume it will be entirely solved. Certain plant applications may remain difficult to electrify. Our position on the residual is as follows.

- The residual will be genuinely residual. We will not classify as residual anything that could be reduced through available technology at reasonable cost;
- Removals will be permanent — durable carbon storage rather than avoided-emissions credits;
- Removals will be additional, independently verified against a recognised standard, and disclosed in full;
- Expenditure on removals will be reported separately from expenditure on reduction, so that no observer can mistake one for the other.

Reporting and assurance

We will publish an annual carbon report setting out absolute and intensity performance against baseline and against interim targets, progress on each workstream, and a candid account of where we are behind and what we intend to do about it. Where we miss a target we will say so.

Data will be subject to independent verification, initially of the baseline and thereafter at intervals to be agreed with the Board. Project-level carbon performance is reported to clients through the standard monthly reporting suite, so that the client sees carbon alongside cost, programme, quality and safety rather than in a separate annual document.

Progress is reviewed at management review under ISO 14001 and reported to the Board annually, with the strategy itself formally reviewed at five-yearly intervals and re-based against prevailing science, regulation and technology.



Why this matters commercially

This strategy is the right thing to do. It is also, increasingly, the condition of being invited to tender.

- **Public and registered provider procurement.** Carbon reduction commitments, social value and environmental management are scored at selection and at award. Contractors without a credible, evidenced position lose marks before price is opened.
- **Institutional funders and investors.** Development finance and forward funding are increasingly conditioned on sustainability performance, and funders scrutinise the delivery team as well as the asset.
- **Planning.** London planning policy already requires whole-life carbon assessment and circular economy statements on major schemes, urban greening and biodiversity net gain. A contractor fluent in these requirements is worth more to a developer client than one who is not.
- **Regulation.** Embodied carbon is currently unregulated in England, but industry initiatives and the UK Net Zero Carbon Buildings Standard are moving toward measurement, limits and verification. The direction of travel is settled even where the timetable is not. Building capability now is cheaper than retrofitting it under compulsion.
- **Cost.** A material proportion of the measures in this strategy — grid connection instead of generators, reduced waste, accurate ordering, structural efficiency — reduce cost as well as carbon.
- **People.** The engineers, managers and tradespeople we want to recruit increasingly choose employers on this basis.

Immediate priorities

#	ACTION FOR THE NEXT TWELVE MONTHS	OWNER
1	Appoint carbon accounting support and commission the Scope 1, 2 and 3 baseline	Operations Director
2	Fix the baseline year and reporting boundary; obtain Board approval	Operations Director
3	Switch all offices and sites to certified renewable electricity at next renewal	SHEQ Manager
4	Introduce a temporary power strategy requirement into pre-construction procedure	Delivery Director
5	Amend plant hire arrangements to specify electric as the default	Commercial Manager
6	Add carbon data requirements to package tender enquiries for major trades	Commercial Manager
7	Introduce whole life carbon assessment on all qualifying live projects	Design Manager
8	Issue tree protection and landscape establishment requirements into project procedure	Delivery Director
9	Deliver carbon literacy training across the business	SHEQ Manager
10	Submit reduction targets to the Science Based Targets initiative for validation	Operations Director
11	Publish the strategy externally and brief the supply chain	Operations Director
12	Re-base the environmental management system against the revised ISO 14001 on publication	SHEQ Manager

AUTHORISATION

This strategy is issued and authorised for use across Aitch Construction (London) Ltd and all of its contracting divisions.

C J Murray

25 August 2026

SIGNED — OPERATIONS DIRECTOR

DATE

