

Carbon Reduction Plan

Supplier name: Milestone Infrastructure Ltd

Publication date: 30.09.2024

Commitment to achieving Net Zero

Milestone Infrastructure Ltd is committed to achieving Net Zero emissions by 2040.

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 Year: 2019 (calendar year)

Additional Details relating to the Baseline Emissions calculations.

In order to obtain accurate carbon emission data we use standard industry emissions factors, such as those provided by DEFRA and have adopted the approach set out in the Greenhouse Gas Protocol (GHGP). Since Financial Year 2023-2024 Milestone is fully audited against ISO 14064. We capture our own Scope 1 and Scope 2 carbon emissions from our offices, our fleet and other direct activities. In addition we use works activities, materials purchases, supplier specific data and procurement spend data to calculate and estimate Scope 3 emissions. All data is associated with a Project or activity, allowing us a level of detail that informs Project level activities as well as our strategic approach to carbon reduction.

Scope 3 emissions calculations have been done by utilising DEFRA SIC code emission factors. These have been externally audited and will be updated once new iterations become available. Via procurement spend data Milestone has categorised its supply chain into different activity breakdowns which all receive their appropriate emission factor based on activity. To improve accuracy further the supply chain engagement programme has resulted in the creation of a handful of additional supplier specific emissions factors which are being used instead of their SIC code counterpart. We wish to engage our supply chain further in this way to help our carbon accounting methodology become as accurate as possible over time.

From July 2024 all Scope 1 and 2 data, as well as all applicable Scope 3 categories have been externally audited and verified to ISO:14064 Specification for quantification and reporting of greenhouse gas emissions.



Baseline year emissions: 2019 (calendar year)	
EMISSIONS	TOTAL (tCO₂e)
Scope 1	9,445
Scope 2	731
Scope 3 (Included Sources)	6,040
Total Emissions	16,216

Current Emissions Reporting

Reporting Year: 2023/2024 (financial year)	
EMISSIONS	TOTAL (tCO₂e)
Scope 1	4,435.88
Scope 2	337.31
Scope 3 (Included Sources)	640.82
Total Emissions	5,414.02

The figures reported in the above tables for Scope 3 emissions reflect the 'included sources' required under PPN 06/21 only. However, Milestone Infrastructure include a wider range of Scope 3 emissions within our organisational reporting to monitor and communicate progress against our net-zero targets. Therefore, these figures may vary from those within our company reports.

Emissions reduction targets

At Milestone Infrastructure we have set ourselves a target of being net zero carbon by 2040, with interim targets of a 40% reduction in carbon intensity by 2025 and a 60% reduction by 2030 on our 2019 baseline.

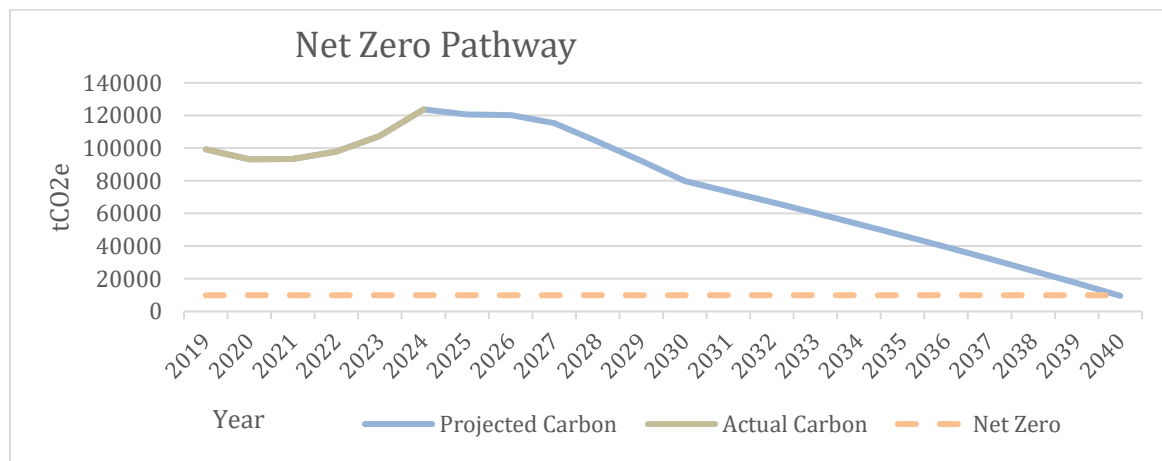
Our emissions targets are set based on our Scope 1 & 2, as well as 'Scope 3 Category 1: Purchased Goods and Services' emission profiles.

Historic data as used in Milestone's reduction targets:

Absolute emissions [tCO ₂ e]	Scope 1	Scope 2	Scope 3	Total
CY 2019	9,445	731	89,160	99,336
CY 2020	9,572	324	83,270	93,166
CY 2021	5,990	684	86,750	93,424
FY 21-22	5,997	620	91,263	97,880
FY 22-23	4,576	436	102,410	107,422
FY 23-24	4,436	337	118,298.53	123,071.53

In 2019 our full carbon baseline was 99,336 tCO₂e, in financial year 2023-2024 our total carbon emissions were 123,072 tCO₂e. This increase was due to the change to a now audited methodology in combination with the very strong growth the company has experienced over the last years. We now forecast a more moderate decline of our absolute emissions in the following years, with a steeper decline being expected from 2027-2028 onwards. This will be led by sector decarbonisations across our supply chain, more low carbon products being available, and our carbon methodology being able to better show reductions. Due to the fluctuations in absolute emissions this decade we are in tandem also using carbon intensity as a performance indicator, giving more insights into productivity per tCO₂e emitted.

Progress against total absolute emissions target can be seen in the graph below.



Please note this graph uses data – as per our climate targets – based on our Scope 1, Scope 2, and Scope 3 Category 1 emissions.

Carbon Reduction Projects

Carbon Reduction Initiatives

At Milestone Infrastructure we have set ourselves a target of being net zero carbon by 2040, with interim targets of reducing carbon intensity 40% by 2025 and 60% by 2030 on our 2019 baseline. In addition we have pledged to be net zero in Scope 1 and 2 emissions by 2030. To support the delivery of these targets we have implemented a detailed net zero carbon strategy alongside our 5 year Environment Strategy 2021-25. Our carbon emissions increased from 99,336 tCO₂e in 2019 to 123,072 tCO₂e in 2023-2024 with carbon intensity declining from 307 to 263 tCO₂e/£m revenue.

In order to deliver carbon reduction projects and initiatives across our business we have implemented an overarching [Milestone Environment Strategy](#) which sets out our targets and ambitions over the 5 year period 2021 to 2025. The next iteration of this strategy for the following years will be published soon.

Milestone Infrastructure is certified to ISO14001 and our environmental management system (EMS) includes policies, standards, guidance and processes to identify and reduce environmental impacts. Carbon emission reductions form a key part of our business level Objectives and Targets and continuous improvement approach. In addition, our carbon emissions are externally audited and certified to the ISO:14064 Specification for quantification and reporting of greenhouse gas emissions, under the Carbon Reduce platform (formerly CEMARS).

Fleet and Fuel

We have implemented a company car policy that introduces electric vehicles (EVs) at all levels and limits vehicle emissions to 130gCO₂e/km. Our current company car fleet carbon intensity has fallen tremendously and currently sits at 47gCO₂e/km, anticipated to fall further with an increasing push towards fleet decarbonisation. In addition we are installing EV chargepoints across our offices and depots to encourage all drivers to switch to electric.

We are in the process of switching our operational fleet to electric and hydrogen vehicles, in line with market availability and suitability of vehicles for operations. Our sister company M Group Plant and Fleet Solutions (MGPFs) provides the Milestone fleet and operates one of the largest fleets in the UK with over 10,000 vehicles. MGPFs are members of the Climate Group's EV100 pledge and are at the forefront of transitioning the entire fleet of vehicles away from fossil fuels by 2035. We are working closely with manufacturers and our suppliers to find the best solutions for carbon reduction. In the future we will explore the opportunities to implement hydrogen as a fuel source, particularly for larger plant and vehicles where an electric alternative does not exist. We are continuously trialling hydrogen powered vehicles and plant and implement these options into our plant & fleet decarbonisation plan once commercially viable.

As an interim solution our plant & fleet vehicles are using Hydrotreated Vegetable Oil (HVO) diesel as much as possible which reduces carbon emissions by 90% as well as improving air quality. Our Scope 1 emissions associated with fuel and transport fell from 9,445 in 2019 to 4,436 tCO₂e in 2023-2024 as a result of substituting fossil fuels with HVO in plant & fleet as well as the switch to electric vehicles.

Low Carbon Materials

Working with our customers, design teams and key supply chain we are increasing the volume of low carbon materials we use, such as warm asphalt, low carbon concrete and recycled plastic products, making these the default material of choice.

Warm mix asphalt (WMA) is now the default material across our highways contracts, which reduces carbon emissions associated with the use of traditional hot asphalt by 10-15%. Evidence from successful Milestone trials have shown that using a cold asphalt binder can save up to 40% carbon, which we produce locally on our highways contracts under an environmental permit.

Several of our highways contracts have also adopted low carbon concrete into their standard specifications. The Wantage Layby innovation trial in Oxfordshire has been a great opportunity to test various low carbon alternative products like high density polyurethane structural foam, concrete canvas verge grips, plastic kerbing, bio-polymer bollards and more.

We continue to innovate around low carbon asphalt products, including graphene asphalt which delivers whole life carbon reductions over a 40-year lifespan. On our Hampshire contract we have successfully trialled reheated asphalt, which uses mixes of up to 100% recycled asphalt plantings and biogenic bitumen, resulting in carbon savings from materials, transport and reduced bitumen. We are also currently laying trials of a carbon negative asphalt, utilising an aggregate by-product of waste incineration, resulting in a 120+% carbon reduction.

In addition, we have generated 9,500t of recycled materials locally on our contracts via our permitted waste treatment sites in 2023. By recycling and reusing our own materials locally we will reduce carbon emissions from the production and transport of virgin aggregates and construction materials.

Our award-winning materials recycling facility at Micheldever in Hampshire has processed more than 50,000t of waste into recycled materials since opening in 2021 until the end of 2023. The facility reduces carbon by reducing the use of virgin aggregates, replacing some traditional hot mix asphalts with cold lay materials and reducing the total miles travelled for waste disposal and material supply. The Hampshire Highways contract and Micheldever facility won a 2021 Green Apple Award, won the Environmental Sustainability and Judges Merit awards at the Highways Awards 2022 and was shortlisted for the Construction News Awards 2022 as Low Carbon Project of the Year.

Where we have design responsibility we are undertaking design in line with PAS2080 (Carbon Management in Infrastructure standard) approach, using carbon as a key decision making tool. We are formally accredited to the PAS2080 standard across our business as of October 2023. This supports the delivery of low carbon design, build and maintenance activities as well as providing a framework within which we collaborate with our customers on ensuring their net zero carbon targets are reached. Carbon reduction opportunities are considered as early as possible in the design process for schemes and projects, as this is when there is most potential to achieve the greatest degree of whole life carbon reduction.

For example, on the North Oxford Corridor (NOC) project (1A & D), Milestone Infrastructure have been commissioned by Oxfordshire County Council (OCC) to design and construct the infrastructure improvements. Early involvement has optimised the capability to maximise carbon and cost savings. The project's total carbon footprint has reduced by 648 tCO₂e

(19%) in between design stages, which is equivalent to the annual emissions from 8 London Buses or 130 return flights from London to Sydney. This has been achieved through collaboratively implementing effective carbon management process throughout the design stage in accordance with PAS2080 principles.

The SME programme developed by Milestone in collaboration with external advisors has been a great success and has led to several supply chain partners adopting strong carbon management processes. The Oxfordshire programme has involved the SMEs in setting their first carbon emission baseline as well as the creation of their first carbon reduction plan. This programme is soon being adopted in other highways contracts as well.

We are also committed to delivering biodiversity net gain where possible on our construction projects and we are linking the delivery of better-quality habitats to increased carbon sequestration. This will support the further reduction of some of the residual carbon associated with the work we deliver for our customers, having first followed the carbon mitigation hierarchy.

Declaration and Sign Off

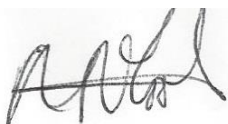
This Carbon Reduction Plan has been completed in accordance with PPN 06/21 and associated guidance and reporting standard for Carbon Reduction Plans.

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 reporting².

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) Standard³.

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:

A handwritten signature in black ink, appearing to be 'A. Alford', is written over a faint rectangular stamp.

Date: 30th September 2024

¹ <https://ghgprotocol.org/corporate-standard>

² <https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting>

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