

Decarbonising Transport Together (Part 2): The Science Based Targets Initiative (SBTi)

Supported by: National Highways, HS2, Network Rail, and Supply Chain Sustainability School

1st November 2023, 11.30 – 12.30



House Rules



Use the **Menti.com** for questions. **2825 9151**



Slides and recording will be shared later



Share your feedback at the end



HS2





**Climate change:
Warming could
raise UK flood
damage bill by
20%**

March 2023



**Heatwave: Fires
blaze after UK
passes 40C for
first time**

Jul 2022



**England
recorded 2,800
excess deaths
in over-65's
during 2022
heatwaves**

Oct 2022



**'Losing your
home is a
massive thing':
how the climate
crisis came to
Norfolk**

April 2023



**UK 'strikingly
unprepared' for
impacts of
climate crisis**

March 2023

Agenda



What is Net Zero and SBTi?

10 mins



What are National Highways, HS2, and Network Rail's requirements for the supply chain?

5 mins



Supply Chain case studies:

- Sir Robert McAlpine
- Galliford Try

10 mins

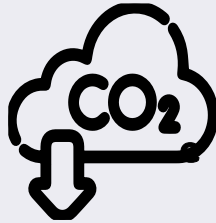
10 mins



Q&A led by National Highways with panellists from SCSS, Sir Robert McAlpine, and Galliford Try

15 mins

What is the difference between net zero and carbon neutral?



Net zero

- Net zero is about reducing your GHG emissions as much as possible, following the carbon hierarchy.
- It covers the whole value chain – upstream and downstream.
- Only once emissions have been reduced can you balance any remaining hard-to-decarbonise emissions with GHG removals



Net Zero vs Carbon Neutral

- Similar but different!
- Both are a zero-sum balance between GHG emitted and the same amount offset or sequestered – but different boundaries!
- ‘Carbon neutrality’ generally focuses on Scopes 1 and 2. Scope 3 is optional but encouraged. PAS 2060 is the Standard for Carbon Neutrality

What are Science Based Targets?

Emissions reduction targets are defined as 'science-based' if they are in line with the Paris Agreement commitment to keep global temperature increase 'well below' 2°C compared to pre-industrial temperatures (IPCC).

Science-based targets reflect the company's share of required global emissions reductions under this treaty.



Scientific: A greenhouse gas emissions target aligned with the latest science

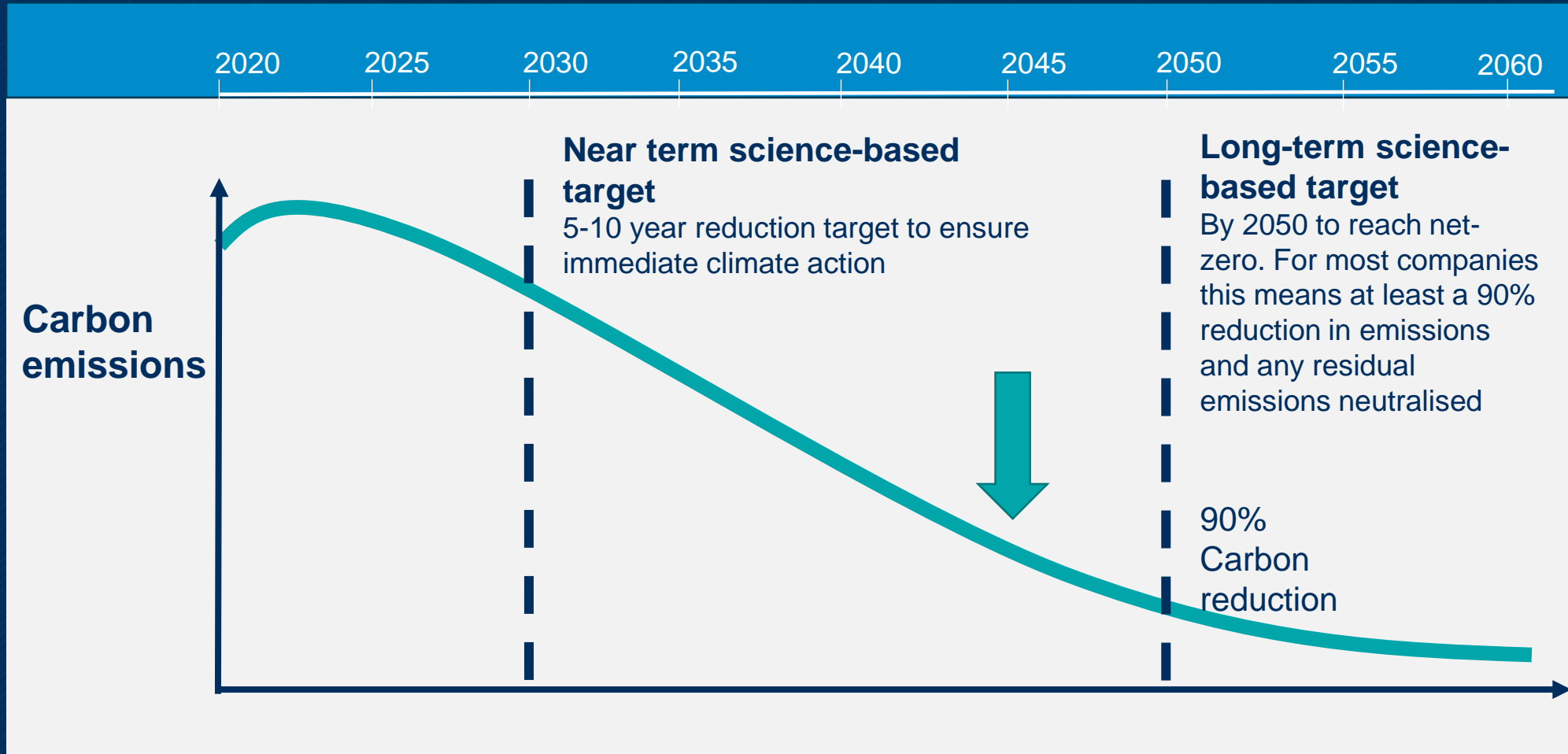


Quantitative: Defines how much and how quickly companies need to cut their emissions to ensure they contribute their part of the global effort to prevent climate change



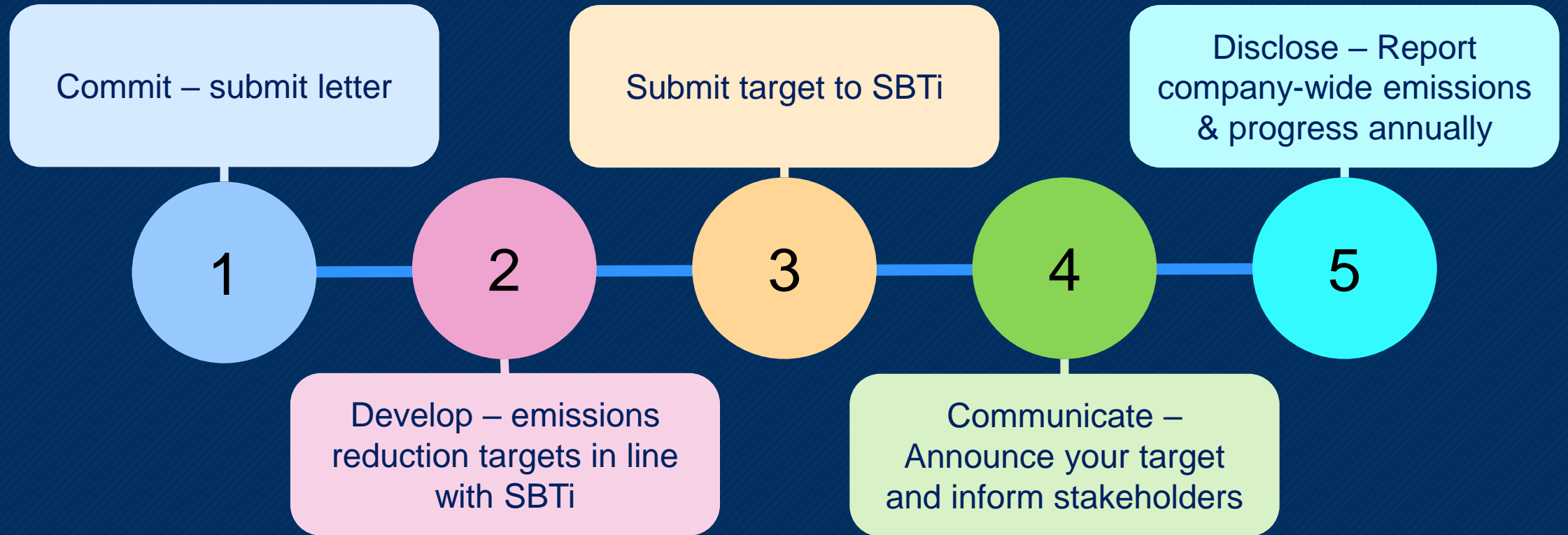
Transparent: Gives companies a clear vision of where they need to be in the future, challenging them to transform their business and help create a low-carbon economy where they can thrive.

SBTi Targets



For many, long-term SBTs will be equivalent to at least a 90% absolute reduction across all scopes.

SBTi verification – Steps



Note - Small and medium sized enterprises (SMEs) can submit targets through a streamlined target validation route. This allows SMEs to bypass the initial stage of committing to set a science-based target and the standard validation process.

Indicative timeline for Science Based Targets initiative

Note: Within 5 years of National Highways submitting our SBTi baseline (2023), we will focus our spend on suppliers who have set and validated their own ambitious SBTi target



Network Rail

- First railway company in the world to set the Science-Based Targets in 2020
- Commit to cutting emissions which limit warming to 1.5 degrees Celsius – below the 2 degrees scientists declared necessary to meet the Paris Agreement.
- Those approved targets are:
 - Network Rail commits to reduce absolute scope 1 and 2 greenhouse gas emission by 46% by 2029.
 - Network Rail commits that 75% of its suppliers by emissions covering purchased goods and services and capital goods will have science-based targets by 2025.
 - Network Rail commits to reduce absolute scope 3 indirect emissions by 28% by 2029.



National Highways

- NH committed to setting net-zero targets with SBTi in Feb 2022 - near and long-term science-based target in line with the SBTi Net-Zero Standard.
- By committing to Net Zero we also became part of the Business Ambition for 1.5°C campaign and the Race to Zero campaign.
- NH have been developing a science-based target and are preparing to submit the target to the SBTi for validation. This will take place by the end of this year (2023).



What does this mean for you working with National Highways?

Construction and maintenance suppliers make up 94% of the scope 3 emissions.

National Highways will focus its construction and maintenance value chain spend on suppliers who have set their own targets aligned with the Science Based Targets initiative (SBTi).

SBT setting and validation will also help organisations progress towards their own PAS 2080 compliance.

Our asks of the Supply Chain



- Set targets for near and long term with Net Zero
- Within 5 years of National Highways submitting their own targets to SBTi
- Streamlined approach for SMEs



- 63% of suppliers, by emissions, have set targets
- Encouraging further engagement and shared learning across partnering organisations
- Streamlined approach for SMEs



- Strategic suppliers set targets
- Set near- and long-term targets
- Ensure that SBTi targets are aligned with Net Zero, by 2025

Simon Leek
Company Carbon Manager
Sir Robert McAlpine



OUR TARGETS



NEAR-TERM TARGETS

Sir Robert McAlpine Ltd commits to reduce absolute scope 1 and 2 GHG emissions 42% by FY2030 from a FY2020 base year.* Sir Robert McAlpine Ltd also commits to reduce absolute scope 3 GHG emissions from purchased goods and services 42% within the same timeframe.

**The target boundary includes land-related emissions and removals from bioenergy feedstocks.*



OVERALL NET ZERO TARGET

Sir Robert McAlpine commits to reach net zero greenhouse gas emissions across the value chain by FY2045 from a FY2020 base year.

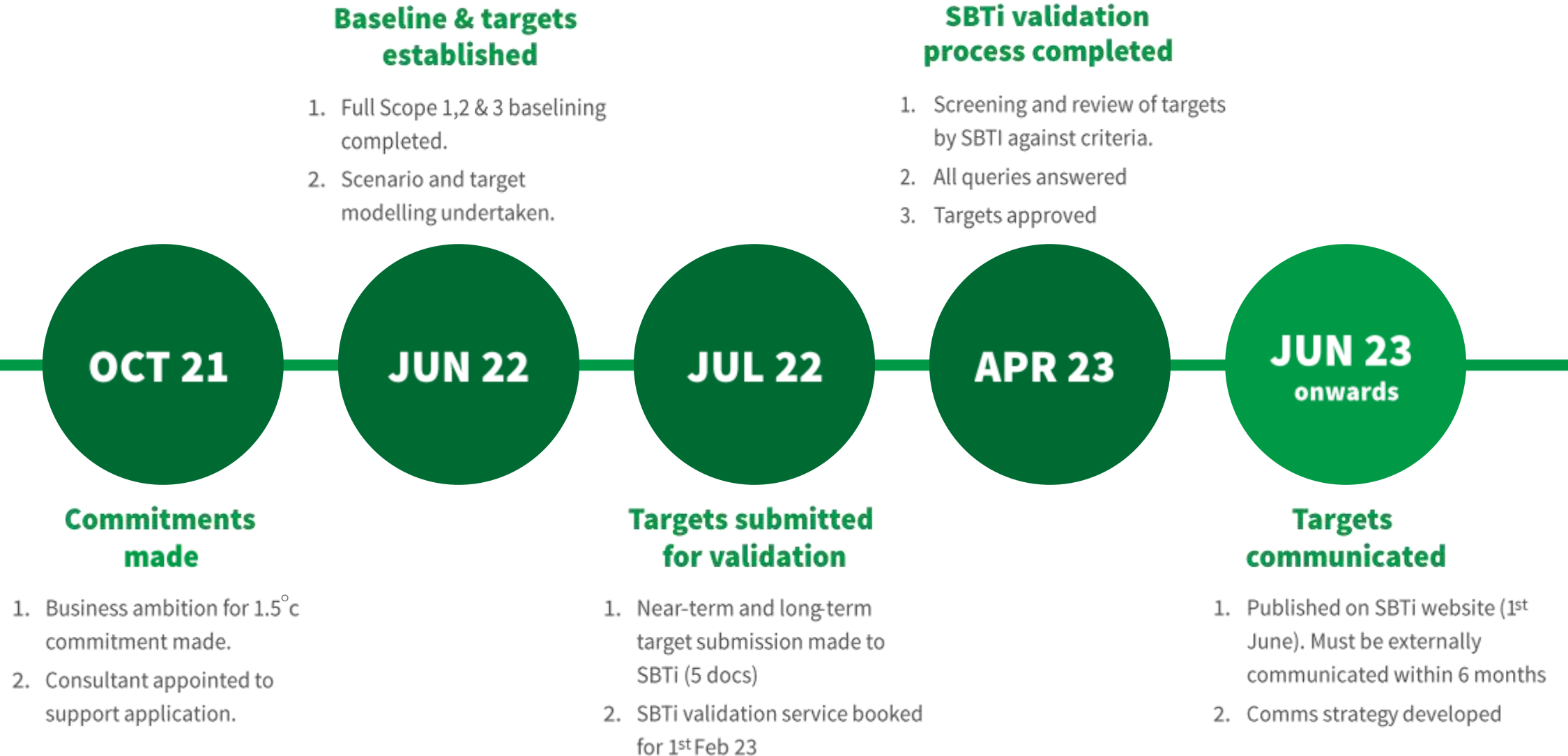


LONG-TERM TARGETS

Sir Robert McAlpine Ltd commits to reduce absolute scope 1 and 2 GHG emissions 90% by FY2045 from a FY2020 base year.* Sir Robert McAlpine Ltd also commits to reduce absolute scope 3 GHG emissions from purchased goods and services 90% within the same timeframe.

**The target boundary includes land-related emissions and removals from bioenergy feedstocks.*

TIMELINE



SUMMARY STATS AND FIGURES

79
weeks

from commitment to target approval.

26
weeks

lead in time for the SBTi validation service

12
weeks

to complete SBTi validation service from initial booking

20
queries

raised by the SBTi over 6 rounds during validation

100
%

of Scope 1 & 2 emissions covered by our targets

98
%

of Scope 3 emissions covered by our targets

22
No.

requests/reports from 8 functions required for our dataset

2nd

Major UK construction & engineering company to have Net Zero targets validated

KEY TAKEAWAYS

1. Ensure sufficient resources (time & cost) are available.
2. Be cognisant that increased demand for SBTs has increased lead in times, both with the SBTi who validate and consultants who can support.
3. Include all material sources of emissions in your footprint, including applicable Scope 3 categories and allow for sufficient time to collate and format data, from multiple business functions.
4. Ensure clarity on company structure, services offered and what has been included/excluded from your baseline.
5. Consider appointing a consultant to support.

Luke Winch
Low Carbon Manager

& Phil Tompkins
Director of Risk & Sustainability
Galliford Try





Journey in setting Science Based Targets (SBTs)

Decarbonising Transport Together series webinar 01/11/23

Presenters



Luke Winch

Low Carbon Manager-
Infrastructure



PHIL TOMPKINS

Director of Risk & Sustainability

Main objective

To drive embodied and operational carbon reduction in the assets we design and build for clients.

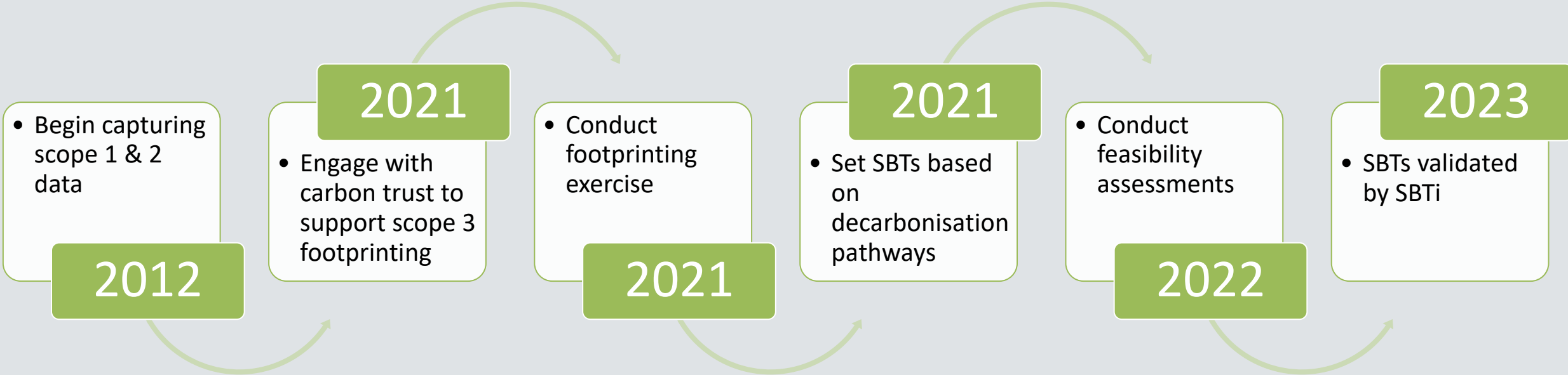
To 'tell our story' on carbon targets and reduction through internal and external reporting, comms and stakeholder engagement.

Why did we set SBTs?

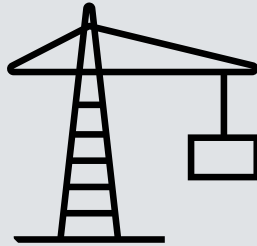
- Credible framework and dataset to set achievable targets
- Certify our net zero ambitions
- Understand our major sources of carbon
- Inform our decision making
- Confidence in delivering our targets
- Align to the Paris Agreement goals
- Moral obligation to society



Our approach



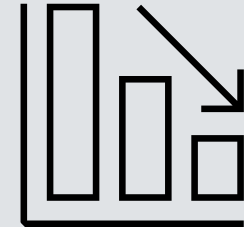
Galliford Try Carbon Targets



2030
Net Zero carbon
across our own
operations
(scope 1 & 2)



2030
Achieve a verified
Science-Based Target
(scope 1, 2 & 3)



2045
Net Zero across all
activities
(scope 1, 2 & 3)

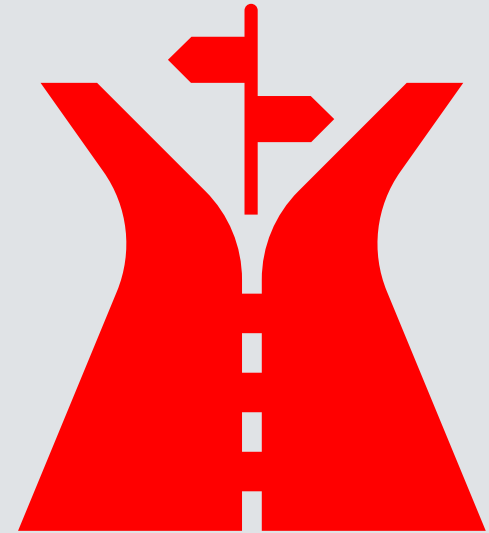
Our targets



Galliford Try Holdings Plc commits to reduce absolute scope 1 and 2 GHG emissions 42% by 2030 from a 2021 base year. Galliford Try Holdings Plc also commits to reduce absolute scope 3 GHG emissions 42% within the same timeframe

How are the targets effecting our decisions?

- Scope 1 & 2
 - Sourcing REGO electricity
 - EV or PHEV only company car policy
 - Early grid connections on our construction sites
 - Using energy efficient & LED/solar/hybrid welfare and site offices.
 - Operating an 'Agile Working' policy to maximise the use of technology to reduce travel
- Scope 3
 - Data granularity & consistent reporting
 - PAS2080 accreditation and alignment
 - Targeted carbon literacy training
 - Value chain engagement
 - Knowledge sharing



Key challenges and lessons learned

Challenges	Lessons learned
Absolute contraction or sectoral decarbonisation approach?	The rate of reduction is uniformly applied to all companies. No sector differentiation or correction for business growth. Easier to understand and communicate and the most robust in terms of preserving the global carbon budget.
Availability of data	Good availability of Scope 1&2 data but majority of Scope 3 further down the supply chain reliant on spend based data.
Which sources are most carbon intensive?	Scope 1&2: Fuel Oil, Company Vehicles, Electricity Scope 3: Earthworks, M&E, FRC
Data accuracy and completeness	Activities coverage is vital and data accuracy is subject to continual improvement whilst maintaining transparency and consistency

Ask our panellists a question

Scan the QR code using your phone to access Mentimeter

OR

Go to menti.com on your phone, and use the code:



GO TO
menti.com

ENTER THE CODE
2825 9151

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Decarbonising Transport Together (Part 3):

We will hold a third webinar in January 2024, more details to come shortly.

The logo for HS2, consisting of the letters 'HS2' in a bold, blue, sans-serif font.

Thank you for joining!

We really value your feedback, please do scan the QR code to let us know your thoughts as well as what you would like to learn more about!



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