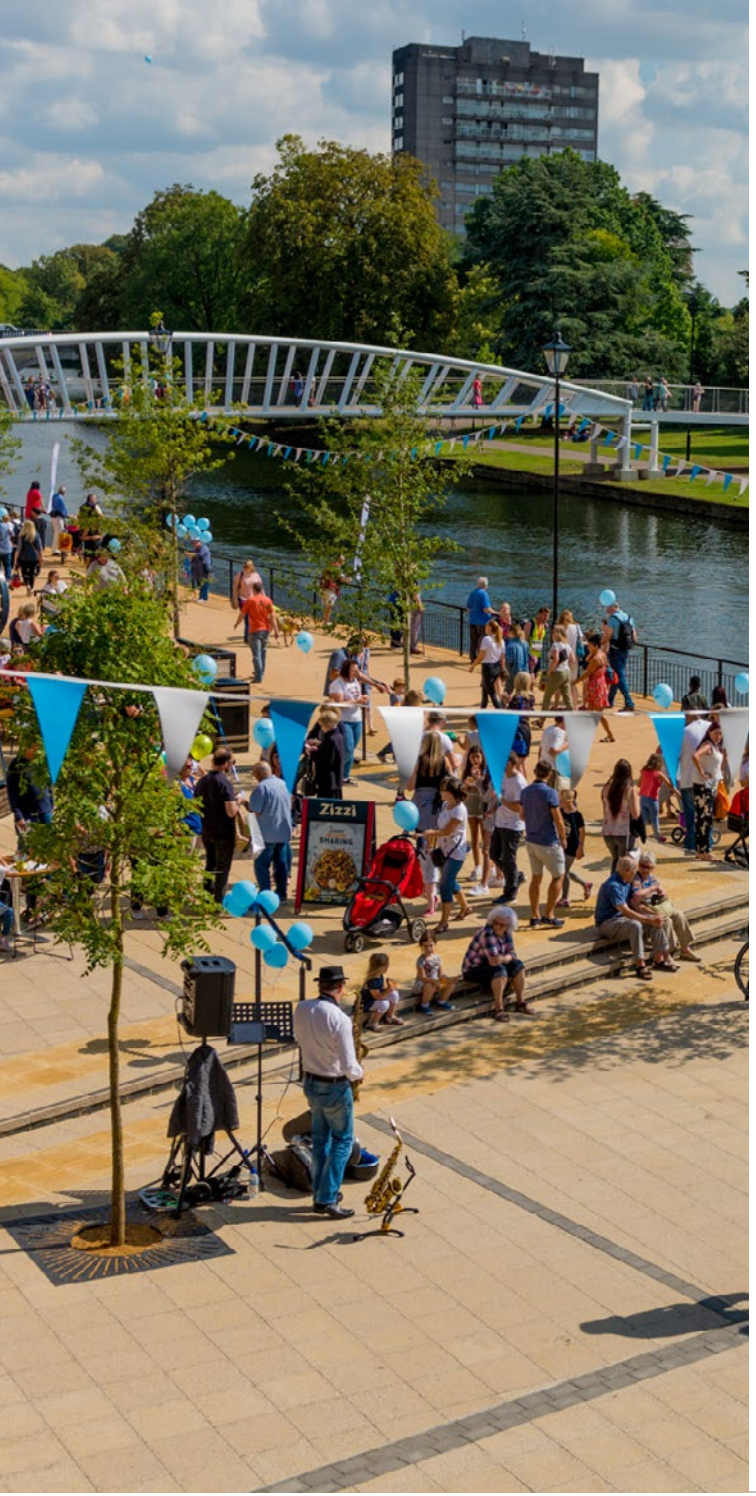
CLIMATE & ENVIRONMENT

REPORT 2023

BOUYGUES UK



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Alejandra Blanco
Sustainability Lead

In 2023, we progressed further towards achieving the targets set out in our Climate and Environmental Strategy, ensuring that our actions align with our goals.

Our Climate & Environment Strategy embeds mitigation and enhancement measures across our projects which are reinforced by key performance indicators (KPIs) set within five interconnected pillars.

Our chosen KPIs have been carefully selected to align with our goals, to better monitor our environmental performance and to allow us to make more informed decisions that will help us track our progress towards a more sustainable future.

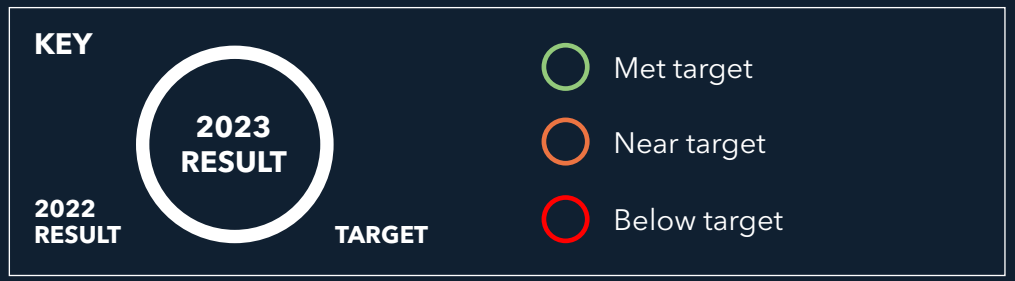
Significant progress has been made in reducing carbon emissions, decreasing waste intensity, improving upon our diversion from landfill performance, and executing biodiversity action plans.

In this year's Climate and Environment Annual Report, we have assessed our 2023 progress against the outlined KPIs and anticipated challenges for 2024 and beyond. You will discover where and how we have delivered on our targets but also occasions where our results fall short of our ambitions despite our actions.

These annual reports enable our business to step back, build on our successes, identify our shortcomings, and learn from this whole process while reinforcing virtuous initiatives and implementing corrective measures throughout the business.

This keeps me optimistic that through our collective efforts, we will indeed take a leading role in creating a more sustainable and resilient future.

KEY FIGURES



Corporate carbon emissions scopes 1 & 2

(tCO2e)

1,271 | 485 | 848

Corporate carbon emissions scope 3

(tCO2e/£1m)

405 | 596 | 428

Corporate energy use

(mwh/£100k)

3.00 | 2.66 | 2.40

Corporate water use

(m3/100k)

6.71 | 6.17 | 6.24

Significant | minor environmental incidents

0|6 | 0|9 | 0|0

Waste intensity

(t/£100k)

3.58 | 2.64 | 3.18

Diversion from landfill

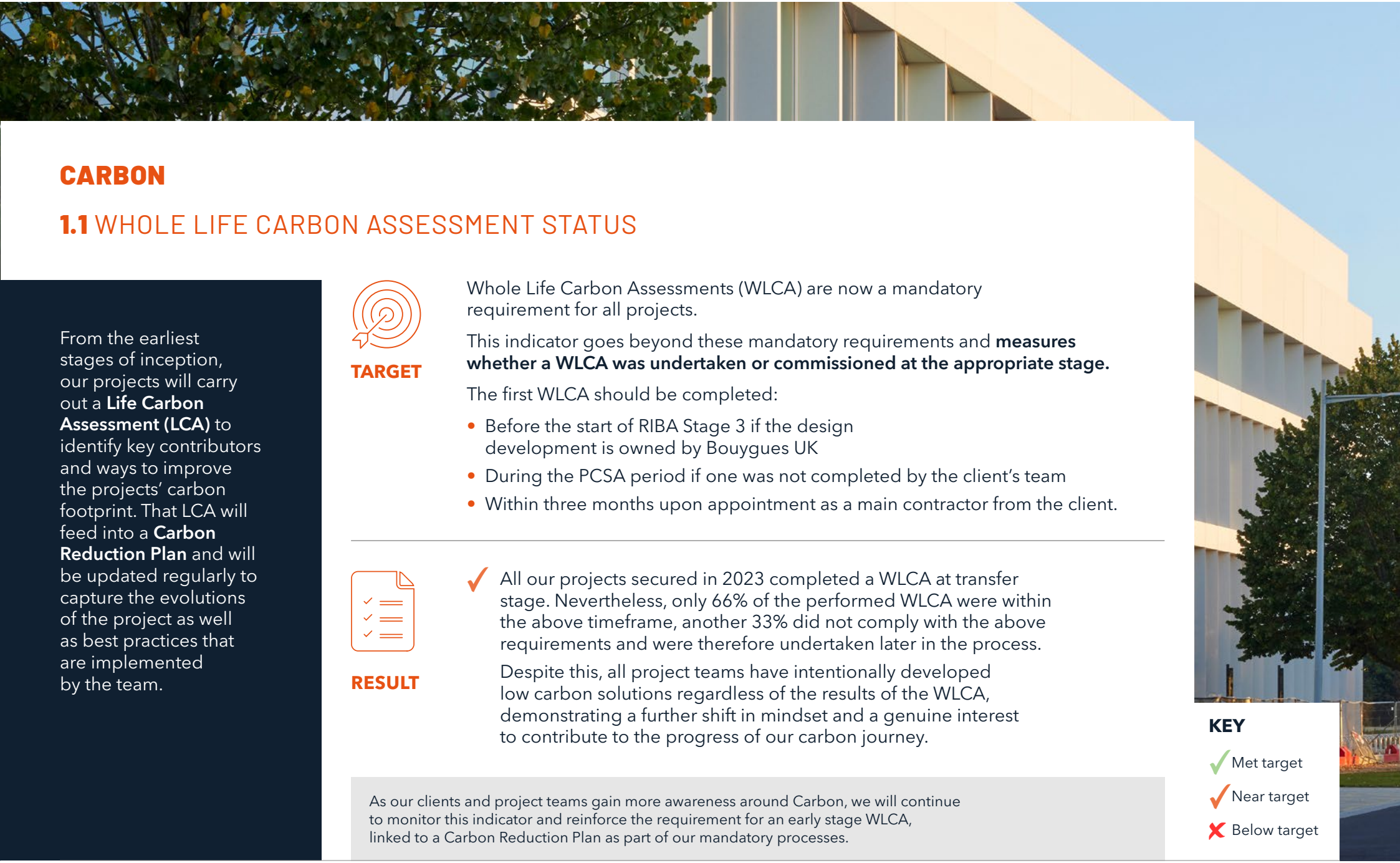
99.10% | 99.7% | 99%

Engagement with supply chain on climate and environment

(£/£1k)

£0.81 | £1.32 | >£0.81

CARBON



CARBON

1.1 WHOLE LIFE CARBON ASSESSMENT STATUS

From the earliest stages of inception, our projects will carry out a **Life Carbon Assessment (LCA)** to identify key contributors and ways to improve the projects' carbon footprint. That LCA will feed into a **Carbon Reduction Plan** and will be updated regularly to capture the evolutions of the project as well as best practices that are implemented by the team.

TARGET

Whole Life Carbon Assessments (WLCA) are now a mandatory requirement for all projects.

This indicator goes beyond these mandatory requirements and **measures whether a WLCA was undertaken or commissioned at the appropriate stage.**

The first WLCA should be completed:

- Before the start of RIBA Stage 3 if the design development is owned by Bouygues UK
- During the PCSA period if one was not completed by the client's team
- Within three months upon appointment as a main contractor from the client.

RESULT

✓ All our projects secured in 2023 completed a WLCA at transfer stage. Nevertheless, only 66% of the performed WLCA were within the above timeframe, another 33% did not comply with the above requirements and were therefore undertaken later in the process.

Despite this, all project teams have intentionally developed low carbon solutions regardless of the results of the WLCA, demonstrating a further shift in mindset and a genuine interest to contribute to the progress of our carbon journey.

As our clients and project teams gain more awareness around Carbon, we will continue to monitor this indicator and reinforce the requirement for an early stage WLCA, linked to a Carbon Reduction Plan as part of our mandatory processes.

KEY

✓ Met target

✓ Near target

✗ Below target

CARBON

1.2 CARBON REDUCTION PLAN

All Carbon Reduction Plans (CRP) include measures that will help the projects reduce their carbon emissions.

We have developed our own carbon strategy and implementation plan at corporate level, giving guidance to project teams on **best practices as well as pathways towards our carbon reduction target.**

TARGET

In alignment with our Carbon Strategy, each project will develop its own CRP with the identification, implementation, and monitoring of key carbon reduction measures applicable to the works carried out. 100% of projects on site and in development are eligible to have a CRP in place and live.

RESULT

✓ During 2023, all of our live projects developed their own CRPs and started regular follow-ups and reviews. This demonstrates strong leadership from our project leads as well as a solid buy-in from our staff.

In 2024, the Climate and Environment team will continue to support our projects on site in the drafting and reviewing of their CRPs and will focus further on our projects in development in order to bring carbon earlier and higher on their agenda.

KEY

✓ Met target

✓ Near target

✗ Below target

CARBON

1.3 CORPORATE CARBON EMISSIONS SCOPES 1 & 2

This entails the carbon emissions linked to our consumptions of fuels (liquid and gaseous fuels) on our sites, in our offices and of our fleet.

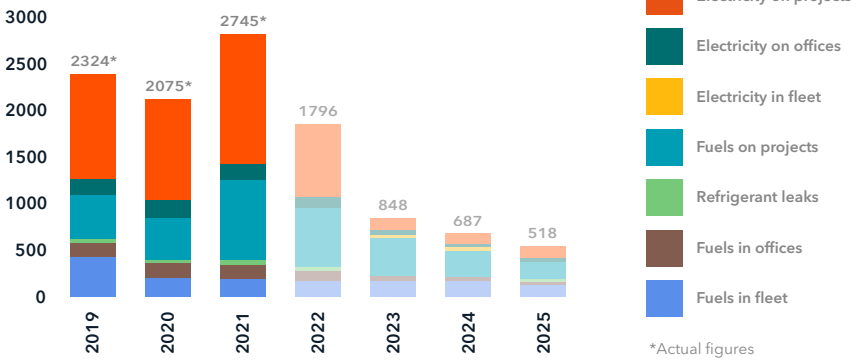
It also accounts for our purchase of electricity, heating and cooling networks as well as any refrigerant leaks in the systems on our premises.

TARGET

Our ambition is to become a Net Zero business by 2025 on scopes 1 & 2 and we have defined progressive yearly targets in order to achieve this.

For 2023, our ambitions towards Net Zero are translated within our scopes 1 & 2 carbon reduction plan with a target of 848 tCO2e.

Scopes 1 & 2: (in tCO2e)



*Actual figures

RESULT

From our **2021** baseline, a series of measures were developed and implemented to respond to the challenge, allowing us to continually reduce our scopes 1 & 2 emissions.

2022: 1,271 tCO2e

✓ **2023:** 485 tCO2e

KEY

✓ Met target

✓ Near target

✗ Below target

CARBON

1.4 UPFRONT EMBODIED CARBON

Upfront embodied carbon is part of our Scope 3 upstream; **it covers the whole chain of activities up to delivery** and therefore also includes the carbon linked to the construction activities on site as well as the transport and treatment of the waste.

TARGET

Targets from recognised industry standards can be found in the Embodied Carbon Target Alignment published by LETI (Low Energy Transition Initiative) where band C and better is considered best practice.

Our ambition is to reduce the embodied carbon footprint of our projects towards -30% from 2021 by 2030 and in alignment with published standards.

As we learn and deepen our understanding of Carbon accounting we intend to build a robust baseline/benchmark to measure our progress. The results below are indicative of the projects secured in the reporting year.

RESULT

Typology \ Year	2021	2022	2023
Residential	563	632	600
Student accommodation	521	-	-
Data centres	722	-	-
Offices	-	604	-
Healthcare	-	-	705
Mixed used (Cultural)	-	-	554

In kgCO2e/m2GIA

Continued on next page

KEY

✓ Met target

✓ Near target

✗ Below target

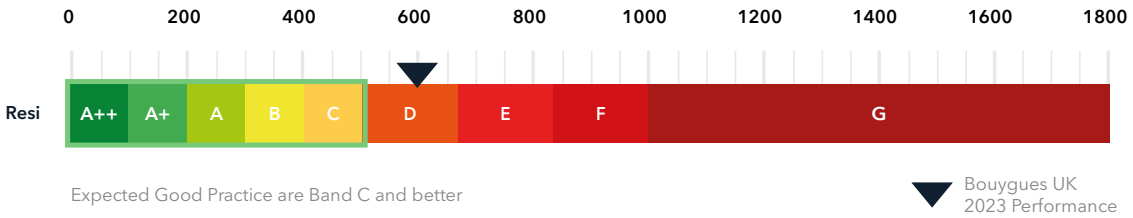
CARBON

1.4 UPFRONT EMBODIED CARBON

Each year incorporates its own specificities and it will be hard to draw conclusions on a simple year-to-year comparison. For 2023, the only comparable is for our residential projects which has improved from 2022 and is rated D on the LETI scale. Nevertheless, it doesn't quite reach what LETI describes as "Good Practice".

Our progress on new typologies of projects in 2023 sets benchmarks and baselines towards 2030.

Upfront embodied Carbon A1 - A5 (exc. Sequestration)



CARBON

1.5 EMBODIED CARBON

Embodied carbon is made up of upfront embodied carbon and adds this to the carbon linked to the in-use and replacement of materials throughout the lifespan of the projects we deliver as well as the end-of-life stage of these assets.

TARGET

Targets from recognised industry standards can be found in the Embodied Carbon Target Alignment published by LETI (Low Energy Transition Initiative) where band C and better is considered best practice.

Our ambition is to reduce the embodied carbon footprint of our projects towards -30% from 2021 by 2030. As we learn and deepen our understanding of Carbon accounting we intend to build a robust baseline/benchmark to better measure our progress. The results below are indicative of the projects secured in the reporting year.

RESULT

Typology \ Year	2021	2022	2023
Residential	941	1,021	978
Student accommodation	858	-	-
Data centres	737	-	-
Offices	-	872	-
Healthcare	-	-	1,228
Mixed used (Cultural)	-	-	840

In kgCO2e/m2GIA

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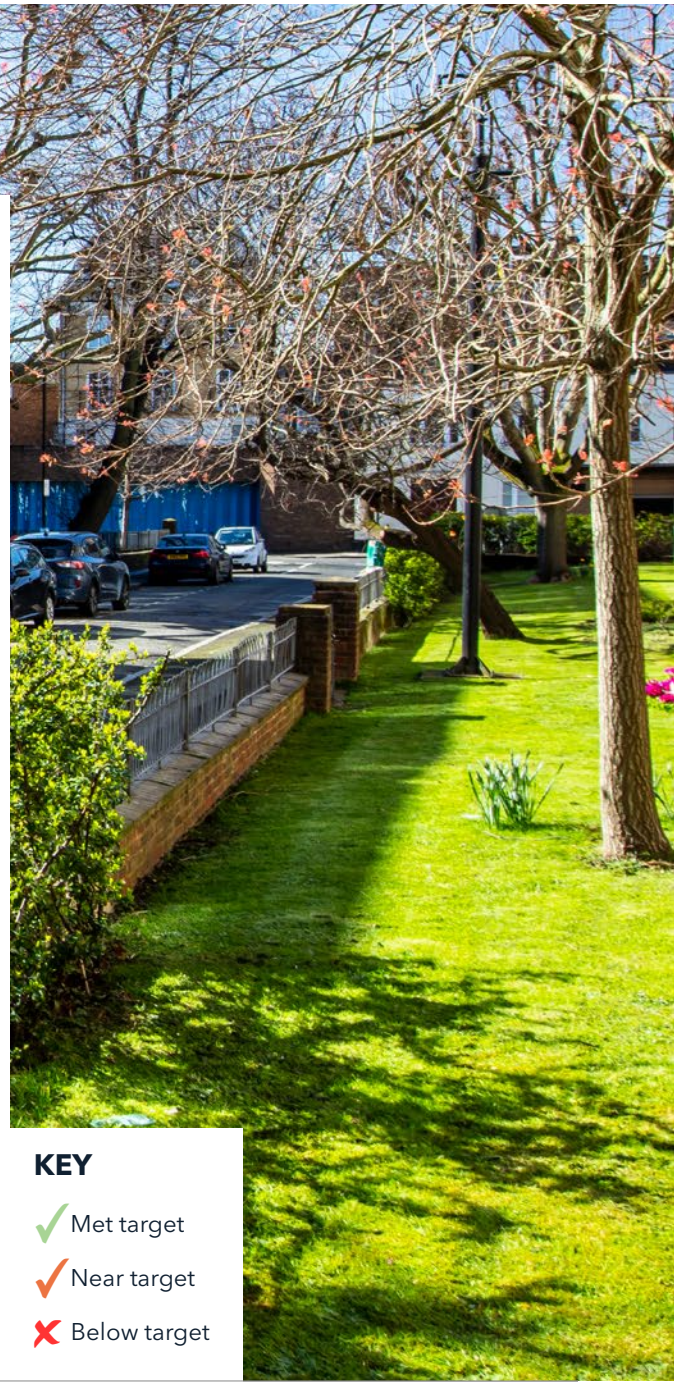


KEY

✓ Met target

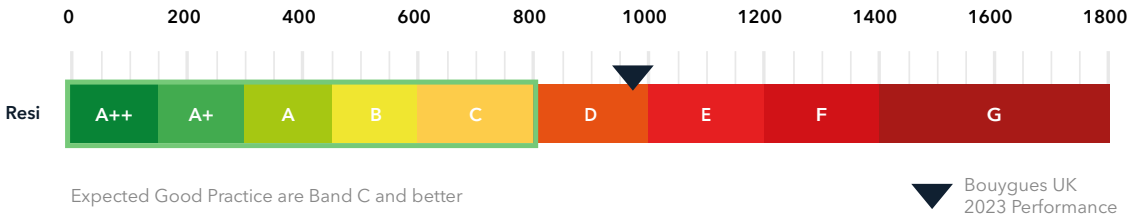
✓ Near target

✗ Below target

CARBON

1.5 EMBODIED CARBON

Embodied Carbon A1 – B5, C1 – C4 (inc. Sequestration)

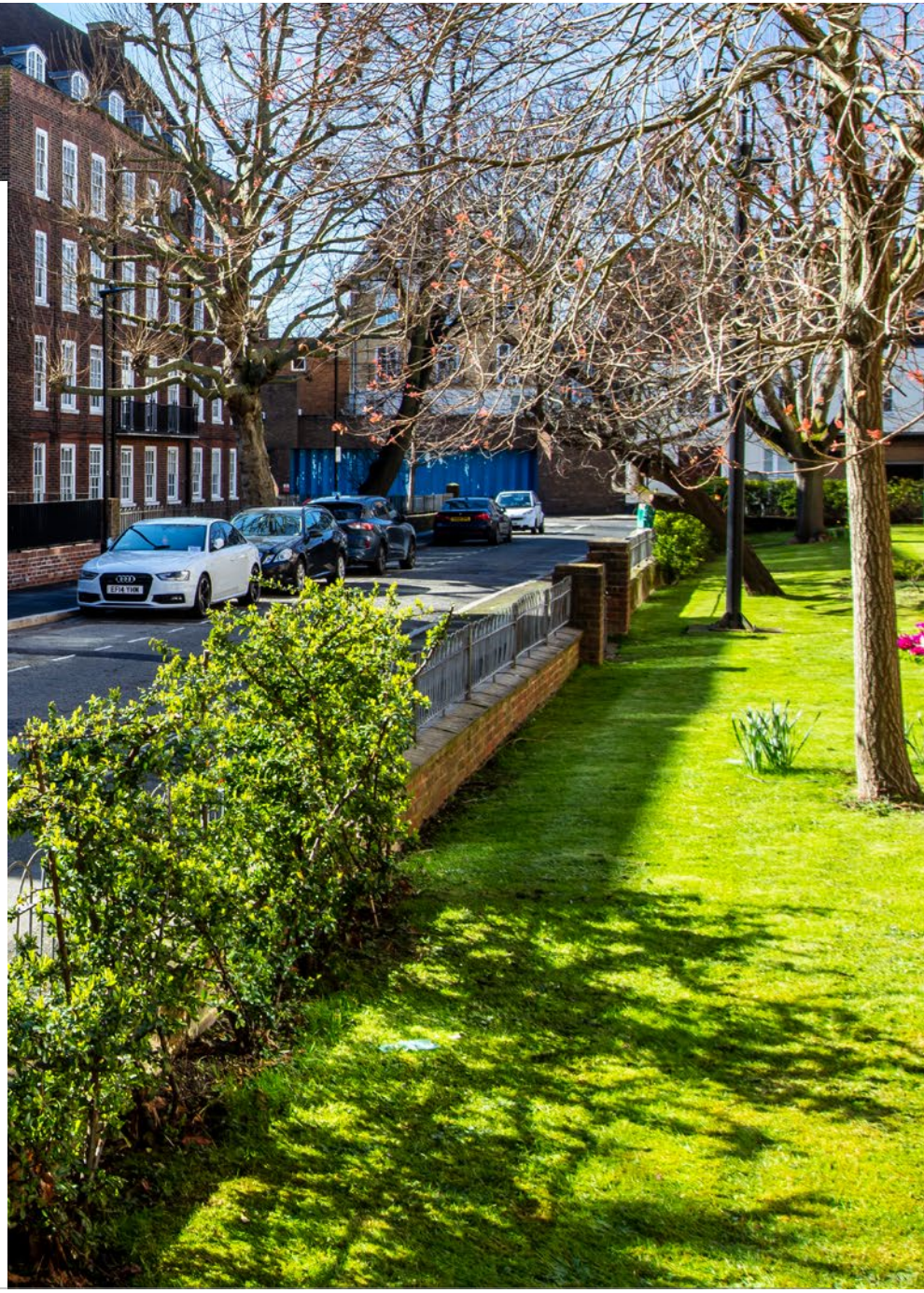


Significant progress has been made on our main carbon contributors: concrete and steel.

The procurement teams have included in their processes the request for **carbon contents alongside financial and technical information** at tender stage. This enables a selection process that integrates carbon as a key parameter. The process also strengthens our ability to identify partners which ambitions and maturity levels are aligned with ours.

This process has permitted a carbon reduction of at least 15% for the concrete that are poured on our sites.

Our selection process also applies to the steel rebar we procure and install on our sites. Prioritising local and Electric Arc Furnace manufacture coupled with maximising recycled content and scrap metal used as a primary constituent enabled us to **reduce the carbon content of the steel by at least 25%** we procure and install on our sites.



CARBON

1.6 OPERATIONAL CARBON

Operational carbon is part of our scope 3 downstream emissions; it relates to the energy consumption of buildings in-use and operation.

Carbon emissions of operational water consumption are not included in our reporting.

TARGET

Currently, no benchmark has been set for operational carbon intensity as the performance indicator widely accepted by the industry is the operational energy use of buildings (in kWh/m2 GIA/year), which is reported in section 2.2.

It could be appropriate to consider a target in line with the operational use of buildings (see section 2.2) attached to a carbon factor based on electrical power source, reflecting a willingness to improve the efficiency of our buildings whilst moving away from fossil fuels.

In this case a residential scheme targeting a good practice energy use intensity of 60kWh/m2/year would emit 8.2kgCO2e/m2/year on an electrical basis, an office scheme targeting a good practice energy use intensity of 75kWh/m2/ year would emit 10.2kgCO2e/m2/year on an electrical basis. Nevertheless, these benchmarks are not available for healthcare projects or other bespoke types of buildings as of now. The results below are indicative of the projects secured in the reporting year.

RESULT

Typology \ Year	2021	2022	2023
Residential	11.2	9.1	5.5
Student accommodation	14	-	-
Offices	-	7.3	-
Healthcare	-	-	45.2
Mixed used (Cultural)	-	-	28.9

KEY

✓ Met target

✓ Near target

✗ Below target

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CARBON

1.6 OPERATIONAL CARBON

For our residential projects, a significant improvement was made in 2023. This can be explained by two major parameters.

- The **reliance on electrical sources, as well as district heat networks** supports low carbon energy as opposed to fossil fuel based energy linked to the burning of coal, gas and oil.
- The improved **energy performance of our projects** supports low energy buildings which consume less for each square meter for their lifetime.

The association of low energy and low carbon makes our projects for 2023 about **50% less carbon intensive than our baseline** throughout 2021 and 2022 for residential projects.

In 2023, we secured new typologies of projects: a mixed-use public building as well as a healthcare project. Given the level of equipment these buildings contain, their operational energy performance is between 3 times to 5 times that of typical residential projects which composes our baseline in 2021.

This will heavily impact our corporate carbon emissions for 2023 but denotes more of the portfolio of our activities this year than an actual carbon performance. It also reinforces the complexity of carbon reporting and the **significance of the actual portfolio of projects taken into account for a given year.**

We have now created a benchmark for these typologies against which we will strive to improve upon going forward.

CARBON

1.7 CORPORATE CARBON EMISSIONS SCOPE 3

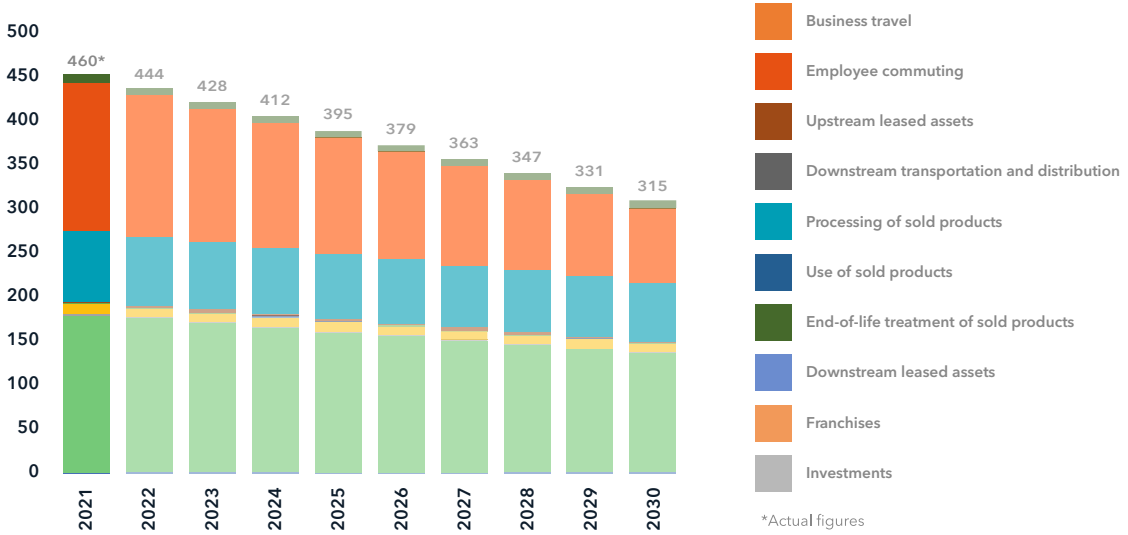
Scope 3 emissions include the embodied carbon and operational carbon for all our projects. It also captures the procurement of services throughout the business as well as goods not otherwise integrated within our embodied carbon reporting. The scope also covers the emissions linked to our fleet, excluding the consumptions that are accounted for in scopes 1 & 2, as well as business travel and employee commuting.

The indicator expresses the amount of carbon emitted in kilograms for each £ million of turnover for the selected period.

TARGET

The graph below reflects our trajectory towards 2030 as well as its linear application for each year. For 2023, we targeted an intensity of 428kgCO2e/£m on turnover.

Scope 3: (in kgCO2e/£m)



*Actual figures

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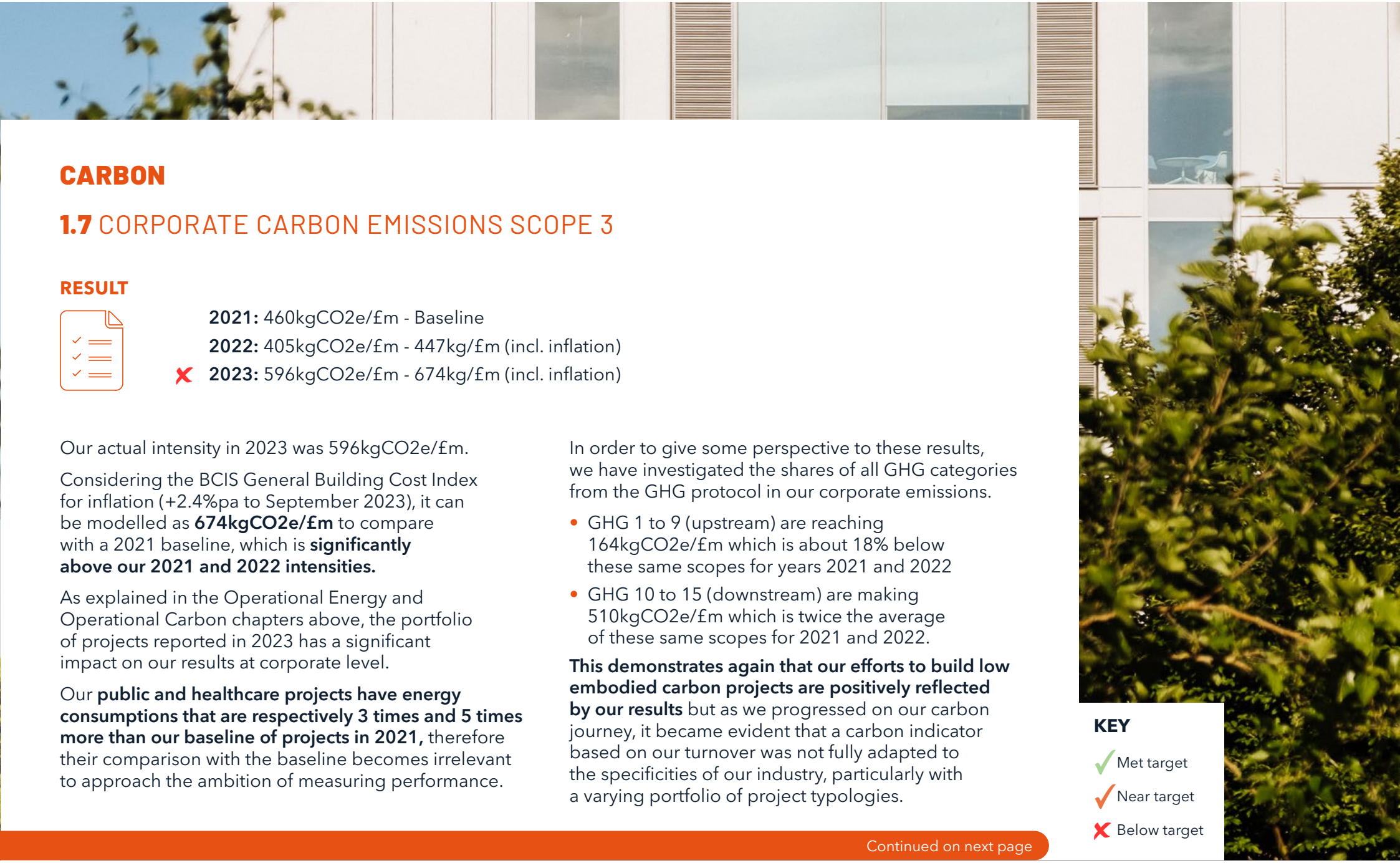


CARBON

1.7 CORPORATE CARBON EMISSIONS SCOPE 3

RESULT

2021: 460kgCO2e/£m - Baseline

2022: 405kgCO2e/£m - 447kg/£m (incl. inflation)

✗ **2023:** 596kgCO2e/£m - 674kg/£m (incl. inflation)

Our actual intensity in 2023 was 596kgCO2e/£m.

Considering the BCIS General Building Cost Index for inflation (+2.4%pa to September 2023), it can be modelled as **674kgCO2e/£m** to compare with a 2021 baseline, which is **significantly above our 2021 and 2022 intensities.**

As explained in the Operational Energy and Operational Carbon chapters above, the portfolio of projects reported in 2023 has a significant impact on our results at corporate level.

Our **public and healthcare projects have energy consumptions that are respectively 3 times and 5 times more than our baseline of projects in 2021,** therefore their comparison with the baseline becomes irrelevant to approach the ambition of measuring performance.

In order to give some perspective to these results, we have investigated the shares of all GHG categories from the GHG protocol in our corporate emissions.

- GHG 1 to 9 (upstream) are reaching 164kgCO2e/£m which is about 18% below these same scopes for years 2021 and 2022
- GHG 10 to 15 (downstream) are making 510kgCO2e/£m which is twice the average of these same scopes for 2021 and 2022.

This demonstrates again that our efforts to build low embodied carbon projects are positively reflected by our results but as we progressed on our carbon journey, it became evident that a carbon indicator based on our turnover was not fully adapted to the specificities of our industry, particularly with a varying portfolio of project typologies.

Continued on next page

KEY

✓ Met target

✓ Near target

✗ Below target

CARBON

1.7 CORPORATE CARBON EMISSIONS SCOPE 3

We have now set new baselines which we will follow closely, report and improve on.

In 2023, and after having submitted our Carbon trajectory in 2022, we obtained the **'Approved' status with the Science Based Target Initiative (SBTi)** demonstrating that not only our trajectory towards 2030 aligns with the Paris Agreement but that its implementation relies on an robust action plan.

As the SBTi develops a sector specific guidance for the Construction and Building industry, we are an active contributor to the **Expert Advisory Group (EAG).**

The EAG is composed of technical experts from stakeholder organisations and companies interested in setting science-based targets and contributing to the project execution.

1.5°C

SCIENCE BASED TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

ENERGY & WATER

ENERGY & WATER

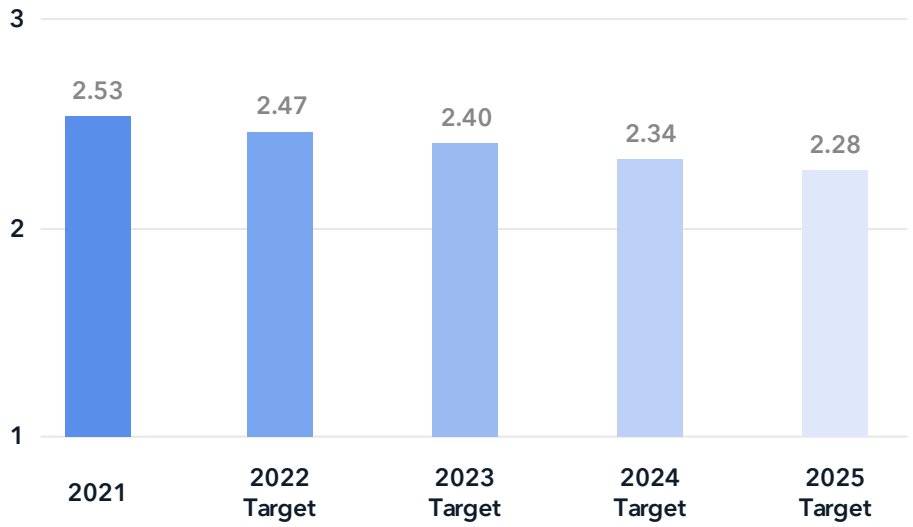
2.1 CORPORATE ENERGY USE

Energy reduction goes hand in hand with carbon reduction. To reduce our impact and our generation of greenhouse gases, **we must monitor, report, and improve our energy consumption across the business.**

TARGET

Our ambition is to reduce corporate energy use by 10% compared to our 2021 baseline, with a year on year reduction and a target to produce no more than 2.40 MHW/ £100k turnover in 2023.

MWH energy / £100k turnover



ENERGY & WATER

2.1 CORPORATE ENERGY USE

RESULT

2022: 3.00MWh/£100k turnover
(3.28MWh/£100k turnover (incl. inflation))

✗ **2023:** 2.66 MWh/£100k turnover
(2.98 MWh/£100k turnover (incl. inflation))

We have reduced our energy intensity on turnover, by 11.5% when compared to 2022 performance. Considering inflation, it makes a 9% decrease (inflation of +11.8% BCIS General Cost Index 2023, when compared to 2021).

There has been a decrease in energy associated to all indicators when compared to 2022 except for office electricity use, and a large increase of fuel use.

It can be celebrated that we have achieved a 11.5% decrease when compared to the previous year, however we are still not in line with our target performance.

We strive to ensure that our sites and welfare are connected to the grid as soon as possible when we start our activities, however this is not always feasible and in these cases, we are reliant on generators to power our activities before we successfully connect. In the rare instances that we are reliant on generators for power, it is important that we encourage the use of alternative energy efficient measures to complement generators i.e. PV, peak shaving, battery banks.

KEY

✓ Met target

✓ Near target

✗ Below target

ENERGY & WATER

2.2 OPERATIONAL ENERGY USE

Operational energy use (kWh/m2/ year) is the energy consumption for buildings we deliver that are then in- use and operation, including both regulated and unregulated energy consumptions.

It is a key metric to measure building energy efficiency.

TARGET

Operational energy use in (kWh/m2 GIA/yr) was measured and compared against an industrial benchmark – RIBA 2030 Climate Challenge targets. The publication describes a 2021 baseline as a 'Business as usual' (BAU) scenario. It also develops RIBA 2025 targets which we will call 'Good Practice' as well as RIBA 2030 targets which we will describe as 'Best Practice'.

Typologies	Operational Energy Use (kWh/m2 GIA/yr)	
	Good Practice (RIBA 2025)	Best Practice (RIBA 2030)
Residential	60	35
Offices	75	55
Schools	70	60

The results below are indicative of the projects secured in the reporting year.

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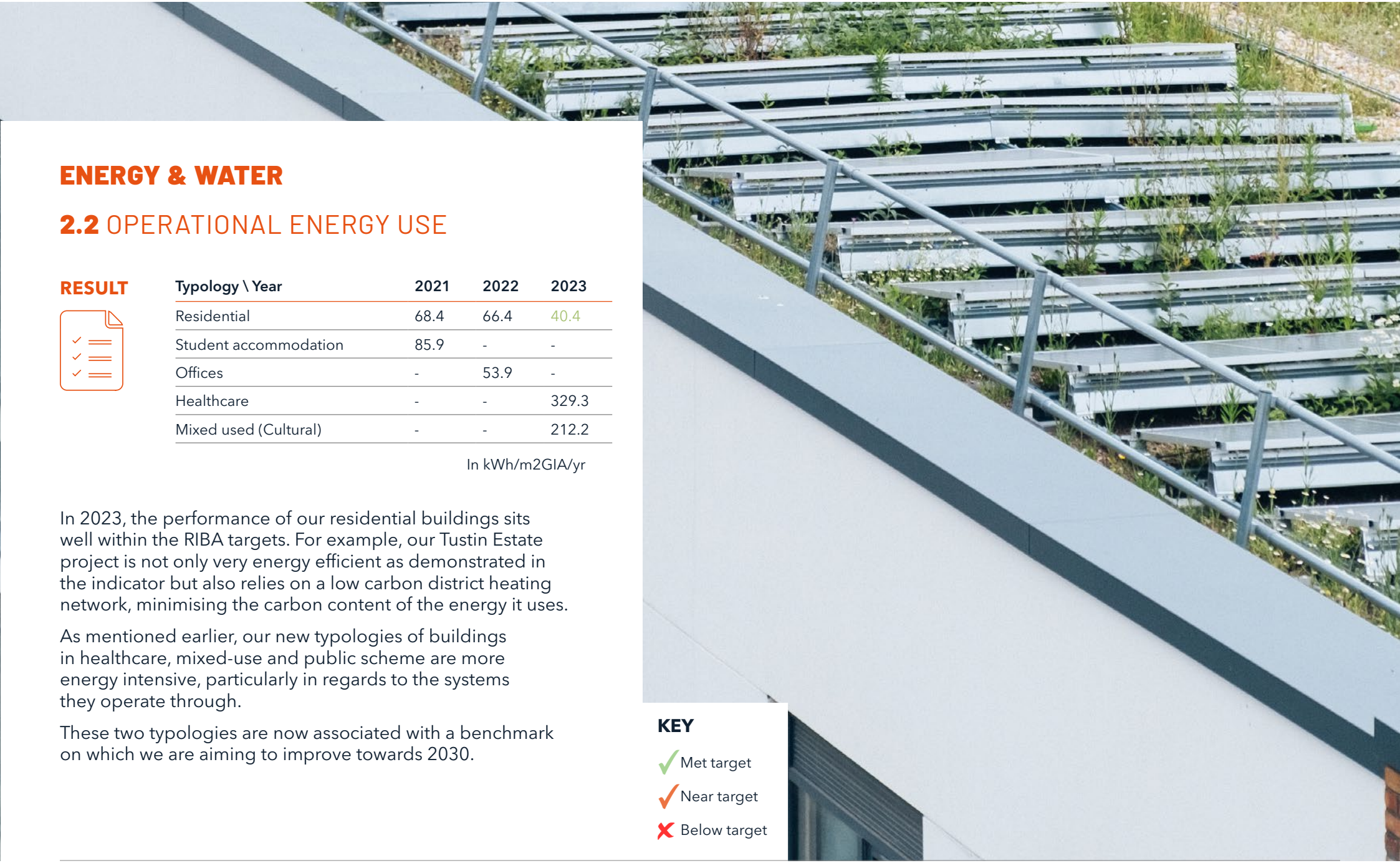


ENERGY & WATER

2.2 OPERATIONAL ENERGY USE

RESULT

Typology \ Year	2021	2022	2023
Residential	68.4	66.4	40.4
Student accommodation	85.9	-	-
Offices	-	53.9	-
Healthcare	-	-	329.3
Mixed used (Cultural)	-	-	212.2

In kWh/m2GIA/yr

In 2023, the performance of our residential buildings sits well within the RIBA targets. For example, our Tustin Estate project is not only very energy efficient as demonstrated in the indicator but also relies on a low carbon district heating network, minimising the carbon content of the energy it uses.

As mentioned earlier, our new typologies of buildings in healthcare, mixed-use and public scheme are more energy intensive, particularly in regards to the systems they operate through.

These two typologies are now associated with a benchmark on which we are aiming to improve towards 2030.

KEY

✓ Met target

✓ Near target

✗ Below target

ENERGY & WATER

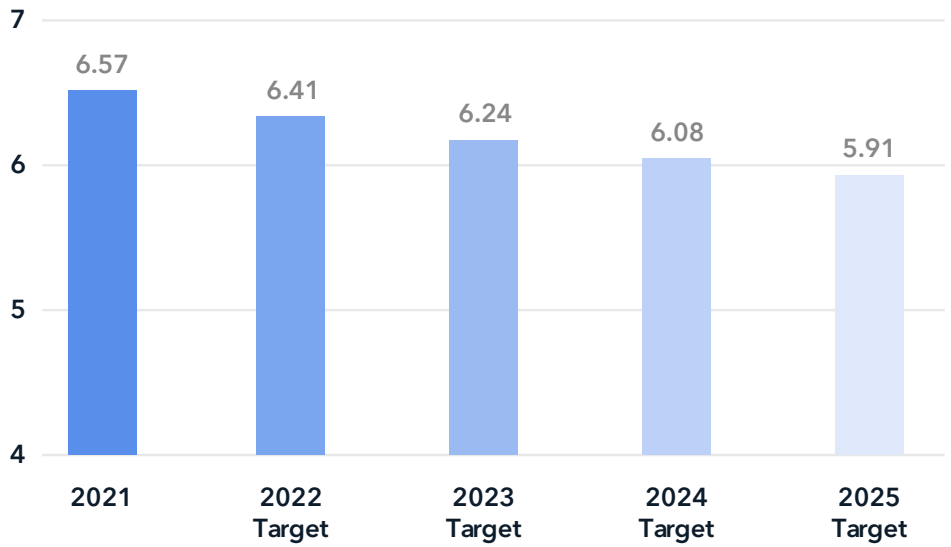
2.3 WATER USE

With more frequent, prolonged, and severe droughts projected in the coming years, water shortages will become more and more prevalent within the UK. **It is vital that we monitor and reduce our water usage** across all our projects to minimise the impact that we have on the environment around us.

TARGET

Our ambition is to reduce our corporate water use by 10% compared to our 2021 baseline, with year-on-year reduction. We aim to consume no more than 6.24m3 of water per £100k on turnover in 2023

M3 water / £100K turnover



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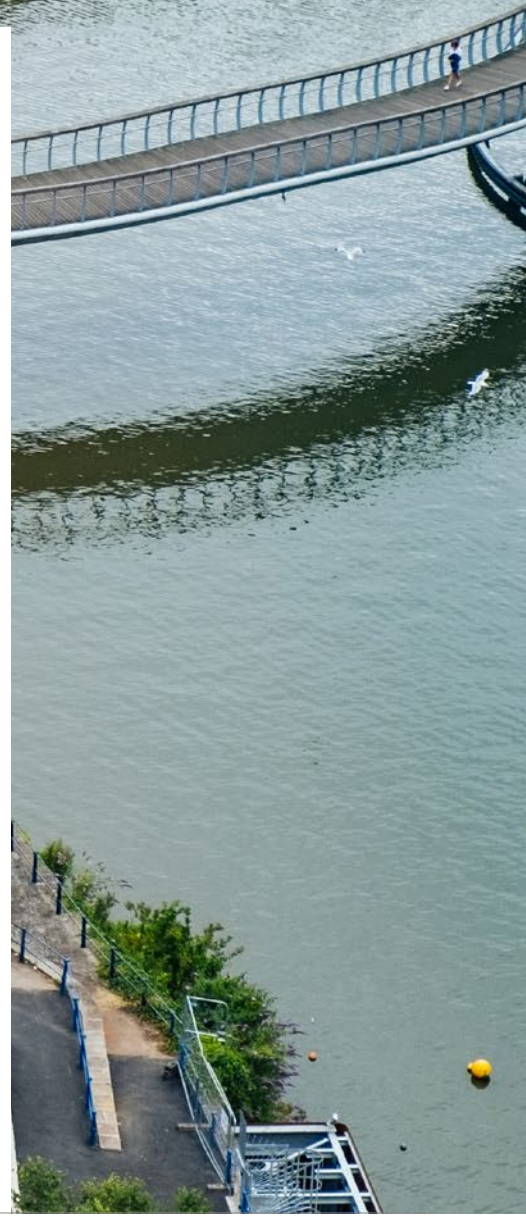
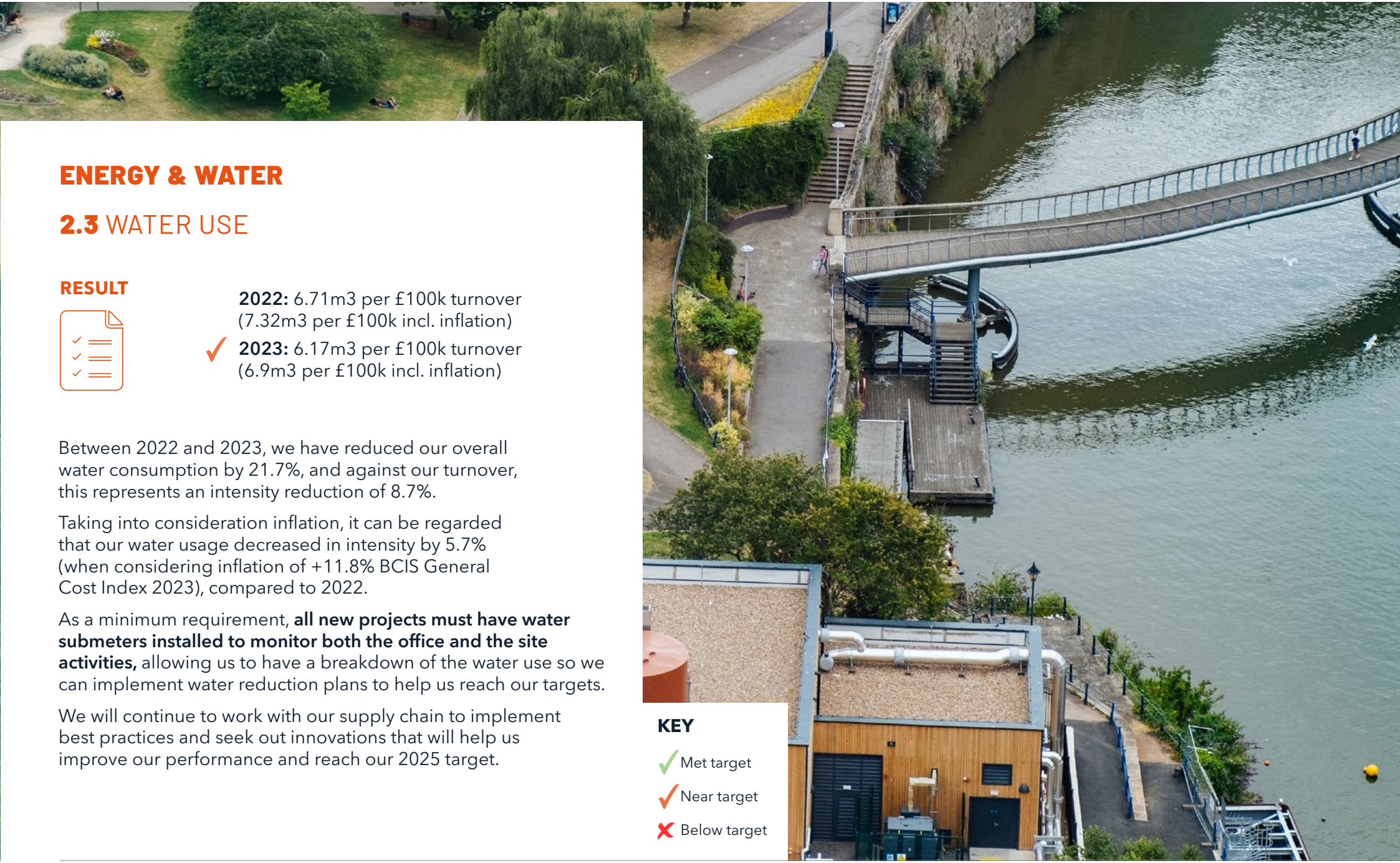




ENERGY & WATER

2.3 WATER USE

RESULT

2022: 6.71m3 per £100k turnover (7.32m3 per £100k incl. inflation)

✓ **2023:** 6.17m3 per £100k turnover (6.9m3 per £100k incl. inflation)

Between 2022 and 2023, we have reduced our overall water consumption by 21.7%, and against our turnover, this represents an intensity reduction of 8.7%.

Taking into consideration inflation, it can be regarded that our water usage decreased in intensity by 5.7% (when considering inflation of +11.8% BCIS General Cost Index 2023), compared to 2022.

As a minimum requirement, **all new projects must have water submeters installed to monitor both the office and the site activities,** allowing us to have a breakdown of the water use so we can implement water reduction plans to help us reach our targets.

We will continue to work with our supply chain to implement best practices and seek out innovations that will help us improve our performance and reach our 2025 target.

KEY

✓ Met target

✓ Near target

✗ Below target

BIODIVERSITY & ECOSYSTEMS

All projects secured in the reporting year had **no design implication prior to RIBA stage 3** to incorporate a Biodiversity Plan, Biodiversity Net Gain or Urban Greening Factor, therefore we have not reported on these KPIs.

WASTE & MATERIALS

WASTE & MATERIALS

4.1 WASTE INTENSITY

One of the most significant environmental challenges faced by the construction industry is the generation of waste.

Reducing the waste generated by our construction activities is an essential step towards building a more sustainable future.

Minimising waste can reduce costs associated with disposal and can also provide opportunities for the recovery and reuse of valuable resources.

TARGET

We have set a target to reduce our corporate waste year on year as a business, with the goal of a 40% reduction by 2030.

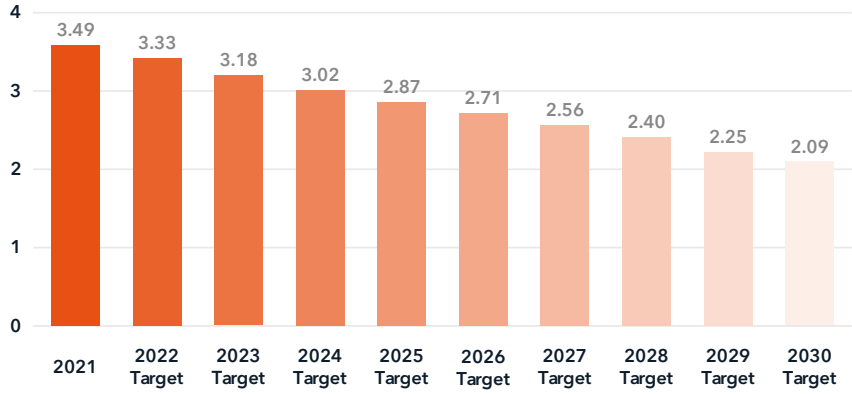
Our target for 2023 was 3.18T per 100k turnover.

At project level, we also aim to achieve the waste credits that have been set out in BREEAM and Code for Sustainable Homes at completion.

Our projects are expected to achieve ≤ 11.1T non-hazardous construction waste / 100m2 GIFA*

*Where projects are targeted for Code for Sustainable Homes, they are be required to meet, as a minimum, the following criteria: ≤ 8.5 / 100m2 GIFA.

Tonnes non-hazardous construction waste per £100k turnover



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WASTE & MATERIALS

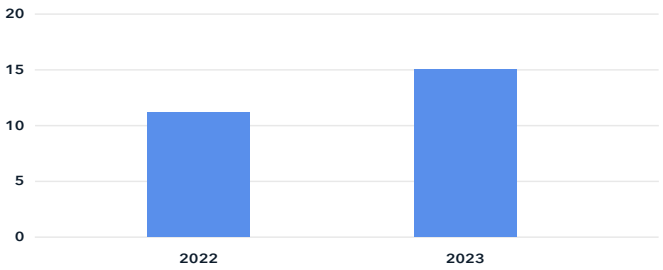
4.1 WASTE INTENSITY

RESULT

In 2022, of the projects we handed over, we achieved an average of: 11.3T/100m2 GIFA.

✗ In 2023, of the projects we handed over, we achieved an average of: 15.2T/100m2 GIFA.

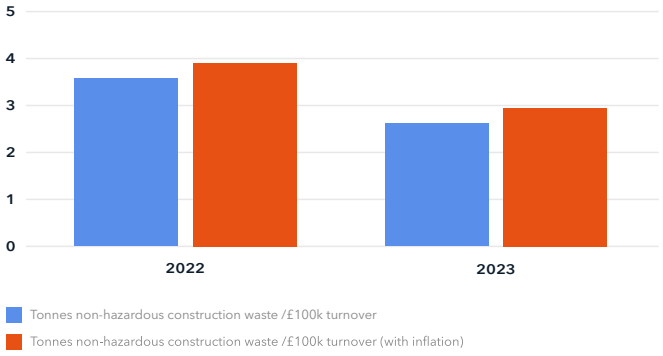
Non-hazardous construction waste against 100m2



In 2022, Bouygues UK produced 3.58T per £100k turnover (3.91T/£100k turnover including inflation +9.2%pa BCIS General Cost Index 2022)

✓ In 2023, Bouygues UK produced 2.64T per £100k turnover (2.95T/£100k turnover when considering inflation of +11.8% BCIS General Cost Index 2023, when compared to 2021)

Non-hazardous construction waste against turnover



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KEY

✓ Met target

✓ Near target

✗ Below target

WASTE & MATERIALS

4.1 WASTE INTENSITY

We have worked with our supply chain to ensure that we obtain accurate tonnage data for the waste generated on our sites.

Our waste contractors now weigh the waste that enters their facility, **providing us with an accurate report of the amount of waste produced from all projects.**

In 2023, our overall amount of waste reduced by 37.3% when compared to 2022 with an intensity on turnover, this makes a decrease of 26.3% (3.58 vs 2.64).

Considering inflation, our waste intensity against turnover therefore shows a decrease of approximately 24.5% compared with 2022 (2.91 vs 2.95).

Waste generated on our projects fluctuates depending on the phase and type of works being carried out at the time of reporting. In 2023, we had several projects breaking soil, meaning that the main waste generated in the business would be associated to excavation phase, which may account for a sudden decrease of construction waste produced within the business when compared to 2022.

We are continually committed to reducing non-hazardous construction waste produced on our sites, and we will continue to measure the waste against GIFA at the end of the construction stage to fully understand each project's performance.

WASTE & MATERIALS

4.2 CONSTRUCTION WASTE DIVERSION FROM LANDFILL

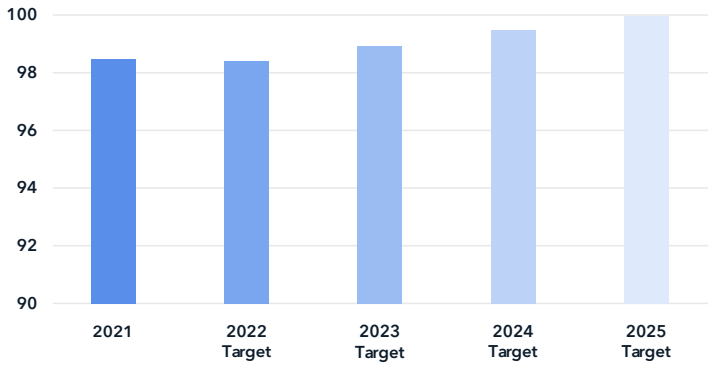
It is important to ensure that we follow the waste hierarchy and focus on waste prevention.

When waste is generated, the priority is that any waste is processed in a manner that does not negatively impact the environment.

TARGET

We have set a target of **99% of our non-hazardous construction waste to be diverted from landfill** with a long-term target of 100% diversion.

Diversion from landfill %



RESULT

2022: 99.1%

✓ **2023:** 99.7%

Through **actively engaging with our supply chain** and waste contractors, and involving them in our waste strategy, we have successfully achieved our target for the second consecutive year of diverting non-hazardous construction waste from landfill.

Our unwavering focus on collaborating with our supply chain and waste contractors has ensured their awareness of our waste strategy and targets, enabling us to consistently deliver on our goals.

Looking ahead to 2024 and beyond, our primary objective is to **further reduce the generation of construction waste** by working closely with our architects and designers to incorporate waste reduction measures into the design process and adopting lean construction practices.

Additionally, we will actively seek out innovative partnerships to **accelerate our progress towards achieving 100% waste diversion.**

KEY

✓ Met target

✓ Near target

✗ Below target

WASTE & MATERIALS

4.3 CIRCULAR ECONOMY STATEMENT

A circular economy approach focuses on **reusing, recycling, repairing and reducing** all kinds of materials, water, and energy streams within our activities.

Our Circular Economy Statement is **bespoke for each project.**

This allows site teams to identify and highlight opportunities to apply a Circular Economy on each development.

TARGET

Our corporate target in 2023 is to have a Circular Economy Statement produced for 100% of our live projects where we have a design implication prior to RIBA Stage 2. For projects where our scope starts at later stages than concept design, we prioritise the implementation of the Circular Economy Principles as per the bespoke Circular Economy Statement produced by our client's team, where available.

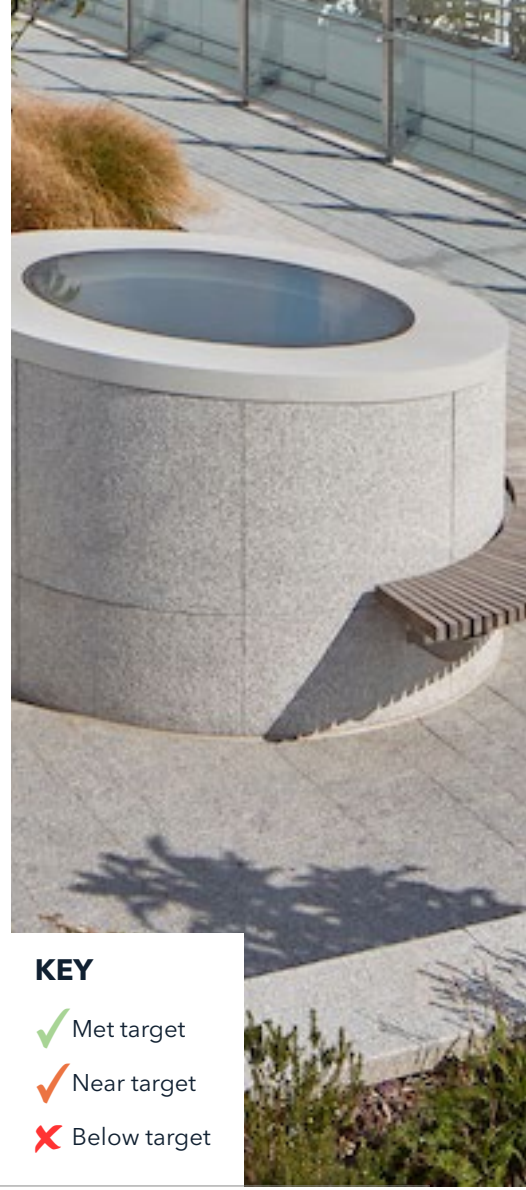
Our corporate target responds to national and local policies including London Plan's Policy S17 – Reducing Waste and Supporting the Circular Economy, and Wales' Beyond Recycling strategy as per One Planet, Zero Waste Wales by 2050.

RESULT

✓ In 2023, of the projects that have been procured, 100% have produced a Circular Economy Statement at early design stage.

It is positive to see that 100% of the projects that started in 2023 all had a Circular Economy Statement in place prior to starting RIBA stage 2. This indicates that all clients involved in these projects recognise the significance and advantages of having these statements.

Moving forward, our focus will not only be on ensuring that Circular Economy Statements are established before RIBA Stage 2 but also on their effective implementation, monitoring, and reporting.



KEY

✓ Met target

✓ Near target

✗ Below target

WASTE & MATERIALS

4.4 SUSTAINABLY CERTIFIED PRODUCTS

In 2023, Bouygues UK set a new target regarding the materials and products we specify and use on our projects.

This target is related to the selection of products with a **low level of environmental impacts across their supply chain.**

TARGET

We have a corporate target of 90% of construction products specified and installed to be sustainably certified in line with recognised sustainability assessments requirements.

RESULT

✘ We have not been able to report on this KPI in 2023. We will work towards updating our processes to incorporate tools that allow projects to monitor and report on quantities of Sustainable Certified Products.

In 2023, our Sustainable Procurement Plan as well as our Procurement Policy have been updated to reflect our corporate target and ensure that 90% of procured products are sustainably certified across all projects.

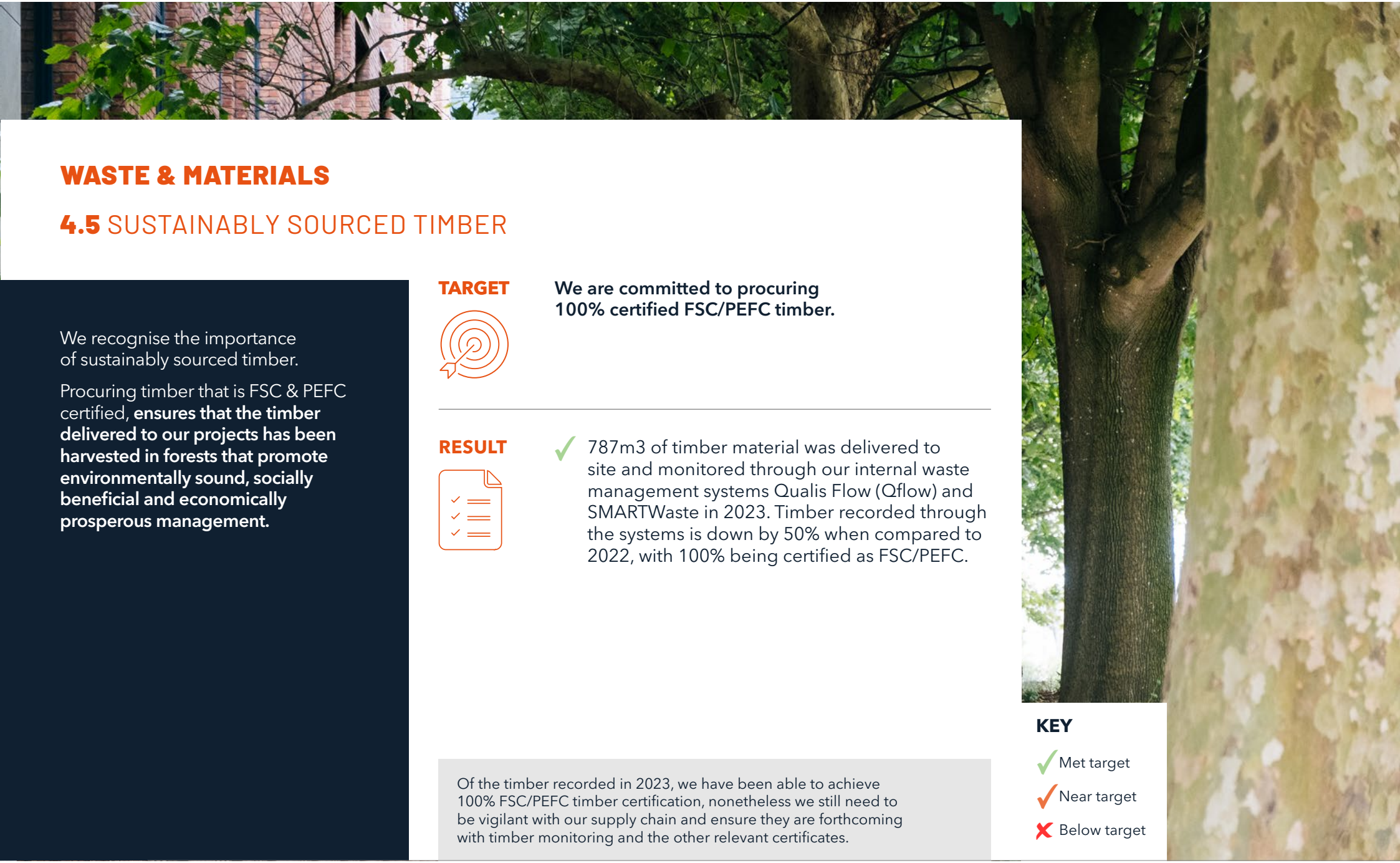
The industry is facing difficulties in tracking and obtaining all the sustainable certificates associated with the relevant materials. With the help of innovative organisations like Qflow, we aim to digitalise and better capture these certificates, accessing centralised databases for easier matching, monitoring and reporting.

KEY

✓ Met target

✓ Near target

✘ Below target



WASTE & MATERIALS

4.5 SUSTAINABLY SOURCED TIMBER

We recognise the importance of sustainably sourced timber.

Procuring timber that is FSC & PEFC certified, **ensures that the timber delivered to our projects has been harvested in forests that promote environmentally sound, socially beneficial and economically prosperous management.**

TARGET

We are committed to procuring 100% certified FSC/PEFC timber.

RESULT

✓ 787m3 of timber material was delivered to site and monitored through our internal waste management systems Qualis Flow (Qflow) and SMARTWaste in 2023. Timber recorded through the systems is down by 50% when compared to 2022, with 100% being certified as FSC/PEFC.

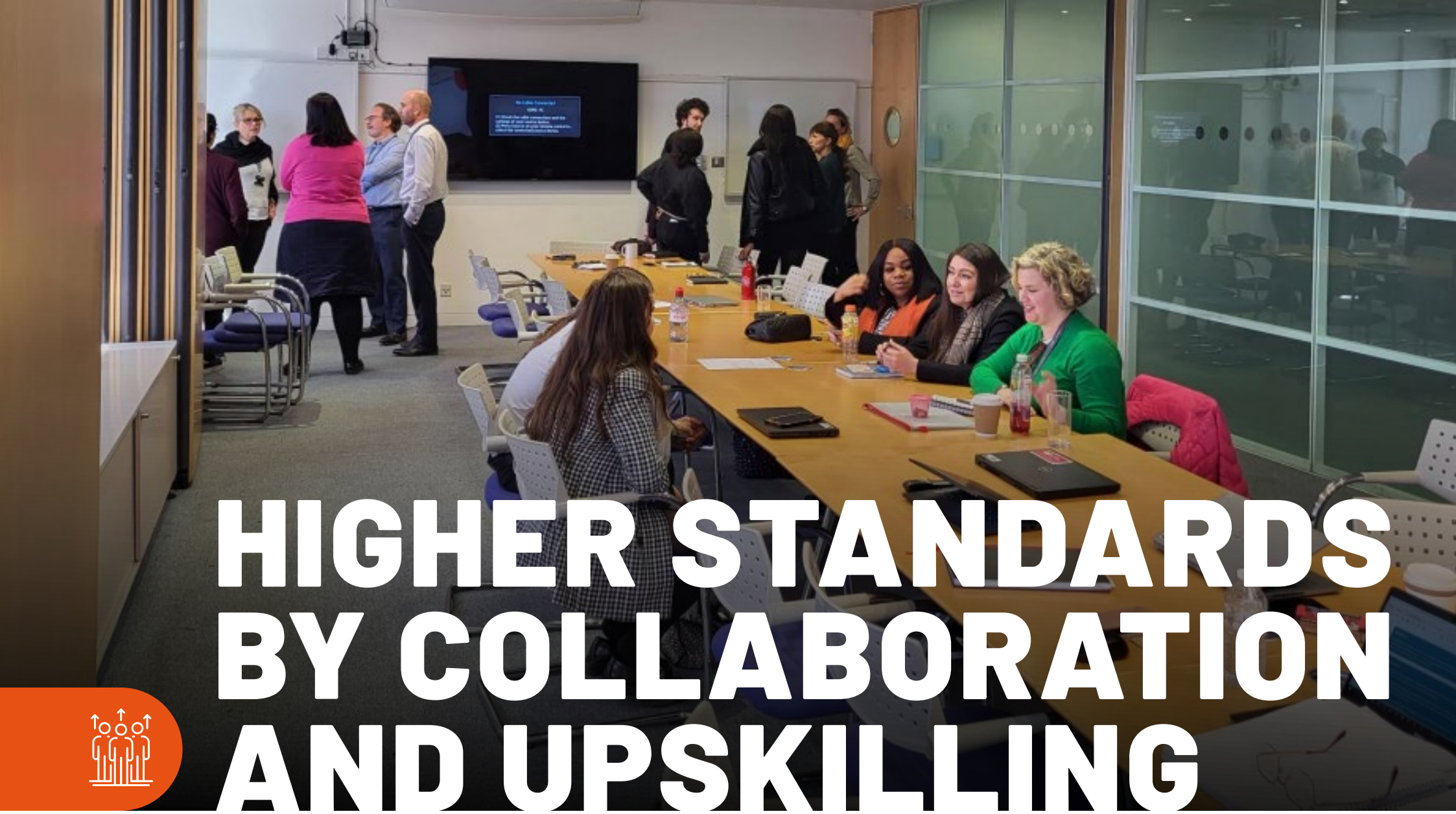
Of the timber recorded in 2023, we have been able to achieve 100% FSC/PEFC timber certification, nonetheless we still need to be vigilant with our supply chain and ensure they are forthcoming with timber monitoring and the other relevant certificates.

KEY

✓ Met target

✓ Near target

✗ Below target



HIGHER STANDARDS BY COLLABORATION AND UPSKILLING

HIGHER STANDARDS BY COLLABORATION AND UPSKILLING

5.1 ENGAGEMENT WITH SUPPLY CHAIN ON CLIMATE & ENVIRONMENT

We recognise the importance of the partnerships we can create throughout our value chain through **collaboration and active engagement** around environmental matters.

The Supply Chain Sustainability School (SCSS) is one of our partners who lead on educating and supporting the industry to work more sustainably.

TARGET

Our target is to annually report and improve upon the educational and developmental value offered to our supply chain network, measured by the proxy value of completed educational resources per £1K of turnover for the designated period.

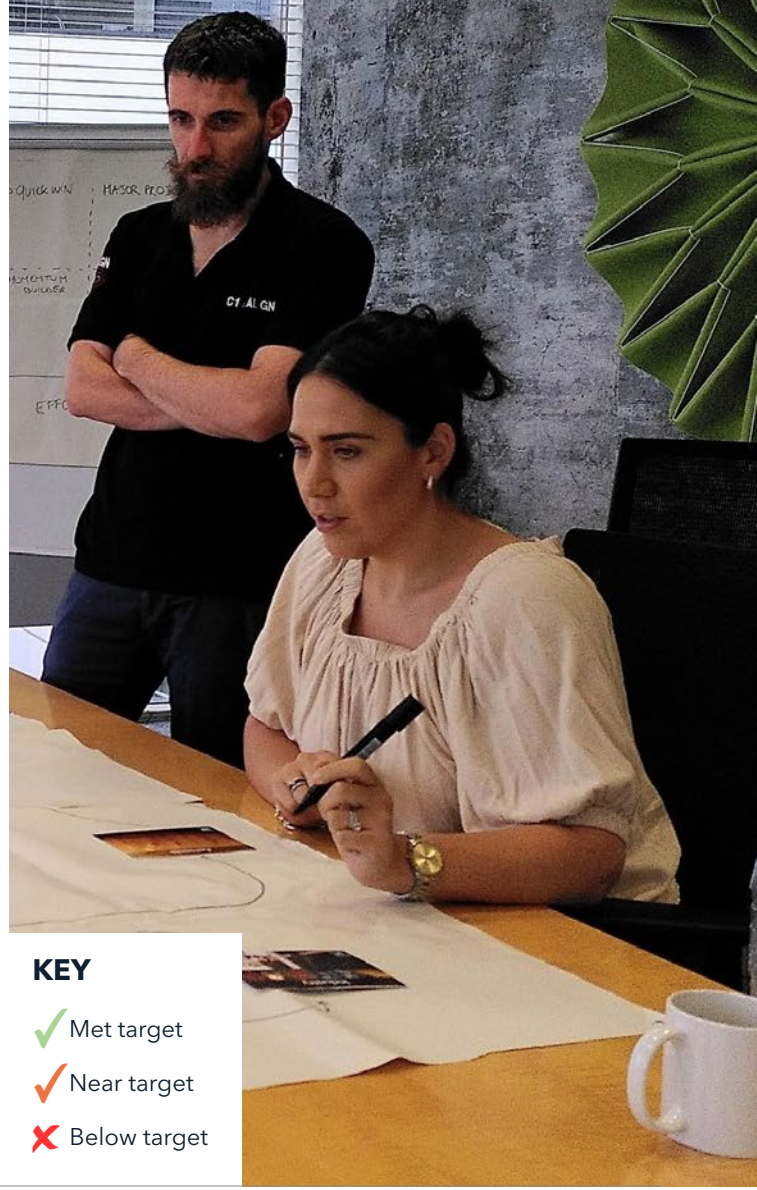
RESULT

In 2022, our educational and development contribution to our supply chain network amounted to a proxy value of £0.81/£1k

✓ In 2023, our educational and development contribution to our supply chain network amounted to a proxy value of £1.32/£1k on turnover. This includes the provision of workshops and e-learning modules through SCSS offerings.

We are proud members of the SCSS, who annually provides invaluable KPIs showcasing the value we, in partnership with other contractors, bring to our supply chain through education and development offerings.

For instance, in 2023, 1,650 of our supply chain members participated in workshops focused on sustainability in the built environment, with an additional 3,129 e-learning modules that were collectively completed.

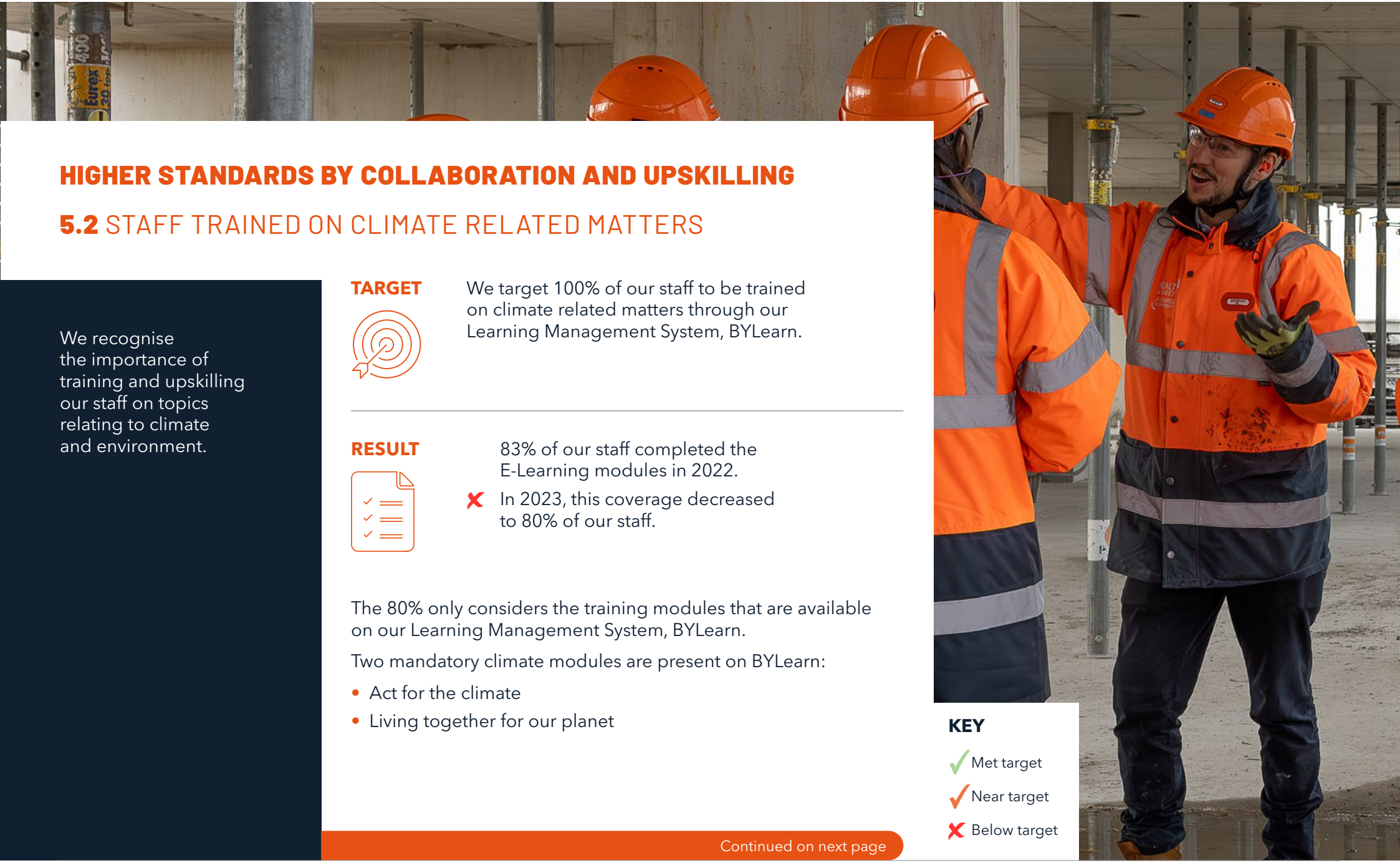


KEY

✓ Met target

✓ Near target

✗ Below target



HIGHER STANDARDS BY COLLABORATION AND UPSKILLING

5.2 STAFF TRAINED ON CLIMATE RELATED MATTERS

We recognise the importance of training and upskilling our staff on topics relating to climate and environment.

TARGET

We target 100% of our staff to be trained on climate related matters through our Learning Management System, BYLearn.

RESULT

83% of our staff completed the E-Learning modules in 2022.

✗ In 2023, this coverage decreased to 80% of our staff.

The 80% only considers the training modules that are available on our Learning Management System, BYLearn.

Two mandatory climate modules are present on BYLearn:

- Act for the climate
- Living together for our planet

Continued on next page

KEY

✓ Met target

✓ Near target

✗ Below target

HIGHER STANDARDS BY COLLABORATION AND UPSKILLING

5.2 STAFF TRAINED ON CLIMATE RELATED MATTERS

Despite a decline in performance on this KPI compared to 2022, attributed to staff turnover resulting in incomplete training, Bouygues UK maintained commitment to ensuring all staff complete climate modules and other training. Challenges in climate module delivery were overcome through alternative methods.

In 2023, "Climate Issues" publications were introduced weekly on the internal platform Viva Engage, garnering over 15,207 interactions. Knowledge exchange webinars addressed topics like Carbon Reduction Plans, Carbon Credits, and Net Zero Journey.

The annual sustainability awards in 2023 celebrated exemplary practices and innovation, fostering progress and encouraging sustainable initiatives.

Bouygues UK acknowledges diverse learning styles and aims to be inclusive in training delivery, prioritising the exchange of best practices to inspire sustainable approaches.

HIGHER STANDARDS BY COLLABORATION AND UPSKILLING

5.3 SUSTAINABLY CERTIFIED PROJECTS

Bouygues UK has extensive experience in designing and building in line with sustainable development certification schemes, such as BREEAM.

BREEAM is a sustainability assessment method and certification scheme for buildings widely recognised in the industry. It provides holistic measurement of management, health and wellbeing of occupants, energy, transport, water, materials, waste, land use & ecology and pollution. Delivering BREEAM certified projects proves **Bouygues UK's commitment to the climate and environment as well as our efforts to go beyond the client brief to deliver truly sustainable buildings.** Other applicable standards are HQM, CfSH, WELL, Passive House.

TARGET

Bouygues UK aims to continue its commitment to sustainability by ensuring that 100% of projects, where our design responsibilities commence from RIBA stage 2 or earlier, achieve a BREEAM Excellent certification or above.

RESULT

In the year 2023, the following projects achieved successful certification:

Hallsville Quarter Phase 3 Offices

✓ BREEAM UK New Construction 2014: Excellent (75.2%)
Design Certification

Cardiff Innovation Campus, Building

✓ BREEAM UK New Construction 2014: Excellent (70.9%)
Final Certification

Canterbury Riverside Student Quarter

✗ BREEAM UK New Construction 2014: Very Good (61.6%)
Final Certification

Although not all eligible projects reported meet the requirements outlined in this section, it's important to note that these projects made their BREEAM commitments prior to the establishment of this corporate target.

Looking ahead, all new projects undertaken by Bouygues UK are on track with targets set to achieve BREEAM Excellent or equivalent. We are committed to reporting their progress and final outcomes in the coming years.

KEY

✓ Met target
✓ Near target
✗ Below target

HIGHER STANDARDS BY COLLABORATION AND UPSKILLING

5.4 SUSTAINABLE INITIATIVES

We strive to incorporate sustainable ways of working across all our projects. We have identified areas in our operations where initiatives can promote a changing mindset regarding the reduction of waste, carbon, and the impact our business has on the environment.

TARGET

We aim to increase the availability of sustainable initiatives year on year and to ensure that they are implemented across our projects, where feasible.

RESULT

2022: There were five sustainable solutions available to our projects and there was an average uptake of 1.6 initiative per project.

✓ **2023:** There were seven sustainable solutions available to our projects and there was an average uptake of 1.7 initiative per project.

Continued on next page

KEY

✓ Met target

✓ Near target

✗ Below target

HIGHER STANDARDS BY COLLABORATION AND UPSKILLING

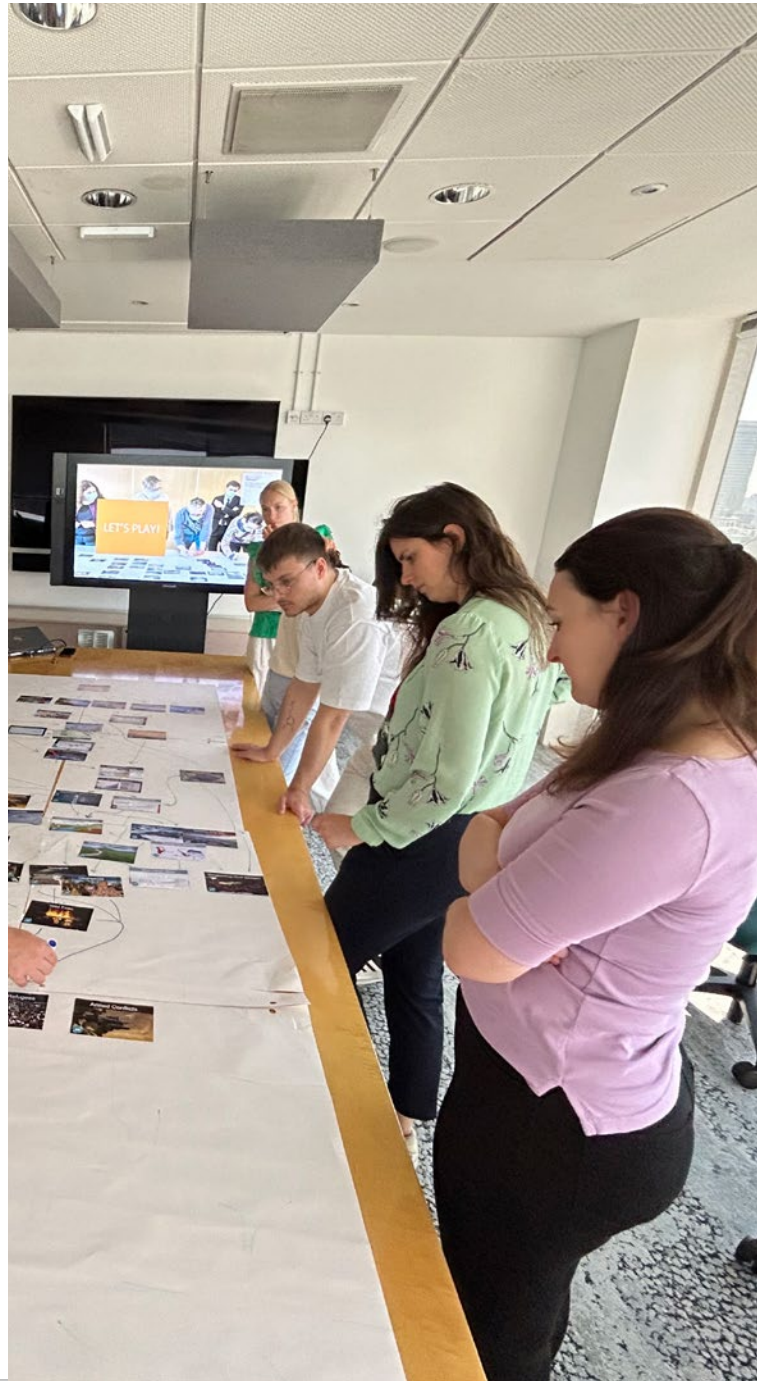
5.4 SUSTAINABLE INITIATIVES

Sustainable solutions that were available for projects to implement in 2023 include:

- Reuse of timber schemes, through initiatives like Community Wood Recycling and on-site salvage yards
- Closed loop re-manufacturing schemes for temporary protection, like Protec
- 'Green Hoarding', like EnviroHoard
- Smart technologies, such as Smart Impulse and GAIA Automate
- Circular economy scheme for plastic waste known as Refactory
- Noise, dust and vibration sensors that utilise AI within their monitoring through systems, like UBY
- Smart water meters, like SMART Flow

Not all solutions are currently an option for every site due to availability of services.

We have been able to trial new innovations that we have not had previously installed on our projects. **We will continue to encourage our projects to implement new initiatives so we can continue to build upon the library of solutions that we currently provide.**



CONCLUSION

Romain Richli
Head of Climate & Environment

2023 marked a significant milestone for Bouygues UK in our journey towards achieving the targets for 2025 and 2030 set out in our climate and environment strategy. Building upon the progress made in 2022, we have seen a profound increase in the level of environmental awareness, driven by the collective efforts of our clients, partners, supply chain, and employees.

While we acknowledge that we did not fully meet all our targets, we continue to embrace transparency, understanding and learning from our shortcomings. Incorporating lessons learned, we have further refined our reporting processes to ensure accuracy and accountability in the years to come.

The inclusion of inflation rate considerations in our intensity metrics underscores our commitment to realistic and ambitious goals. As we look ahead, we recognise the crucial need for collaboration with stakeholders at every level to ensure we meet our targets going forward.

Our pledge to deliver high-quality projects while prioritising sustainability remains unwavering. We understand that embedding best practices from project inception to completion is essential when it comes to minimising environmental impact and leaving a positive legacy for future generations.

Through continued determination, collaboration, and commitment from our staff, we will keep working towards developing a more sustainable built environment for tomorrow. At Bouygues UK, each project is an opportunity to shape the future.

CONTACTS

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