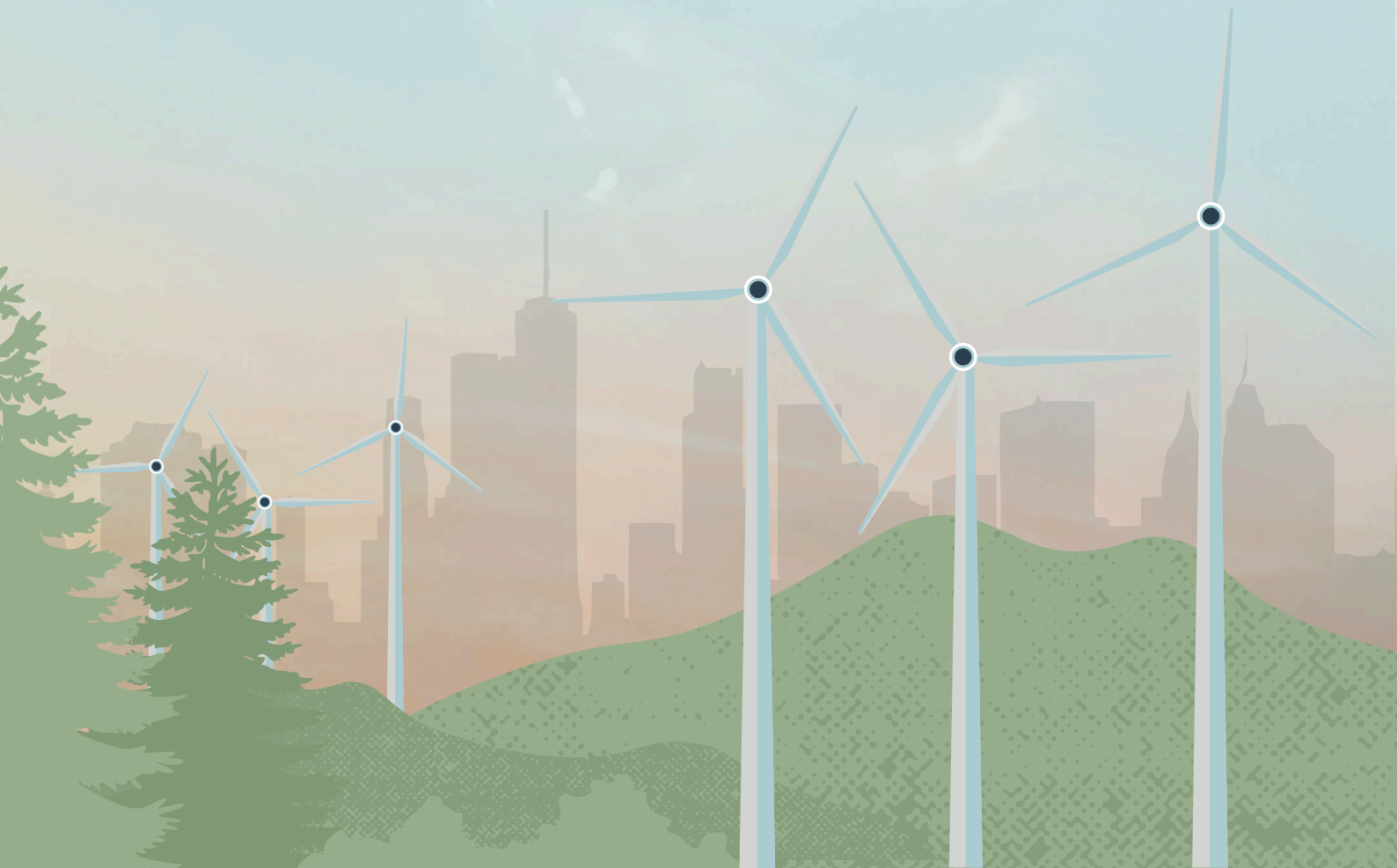




# PPN 06/21 CARBON REDUCTION PLAN



**Supplier name:** Severfield plc

**Publication date:** 30th July 2024

### Commitment to achieving Net Zero

Severfield plc is committed to achieving Net Zero emissions by 2040 for Scopes 1 and 2, and Net Zero for Scope 3 by 2050.

We have solidified our commitment by having our science-based targets approved in the last financial year, which are based on the Paris Agreement, which seeks to limit global warming to below 1.5 degrees Celsius, compared to pre-industrial levels.

#### SBTi has verified the following targets:

- Near-term, we commit to reduce absolute scope 1 and 2 GHG emissions by 50.4% and to reduce absolute scope 3 GHG emissions by 50.4% by FY2033.
- Long-term, we commit to reduce absolute scope 1 and 2 GHG emissions by 90% by FY2040 and to reduce absolute scope 3 GHG emissions by 90% by FY2050.
- Overall, our target is to reach net-zero GHG emissions across the value chain by FY2050.

All targets are set from an FY2023 base year. The target boundary includes land-related emissions and removals from bioenergy feedstocks.

The Group is fully committed to minimising its impact on climate change and mitigating the business risks that climate change presents. We have developed plans to manage them, underpinned by the Group’s ISO 14001 certified environmental management system and BES 6001 Responsible Sourcing (maintained ‘very good’ rating in Feb 2024). In 2024, we have made progress against our Net Zero Roadmap 2050 in line with our SBTi approved targets.

**Severfield NET ZERO ROADMAP**

Sustainability is one of our key priorities, and we have engaged extensively with our customers, suppliers, colleagues, and shareholders to understand the sustainability agenda of each group of stakeholders.

The subject of sustainability and reporting around it is constantly evolving. The Group’s plan will reflect this as it will continuously develop over the coming years.

Our Net Zero Roadmap focuses on the strategic priorities we believe are suitable for the steel industry, the planet, and for our Group. It combines actions to reduce our emissions and offset activities. The targets we have set are aligned with the 1.5°C pathway, verified by the Science Based Targets initiative and are supported by a collective action within the industry.

The Net Zero transition wouldn’t be possible without the continued support of the companies and individuals in our supply chain. We are looking forward to working together with our partners to demonstrate how steel decarbonisation helps all of us to achieve global targets.

Year	Key Milestones and Targets
2021	Became SteelZero signatory. ✓ Achieved carbon neutral accreditation (independently verified by a third party). ✓ Committed to Science Based Targets initiative (SBTi). ✓
2023	Complete quantitative climate scenario analysis in line with Task Force on Climate-Related Financial Disclosures (TCFD) recommendations. ✓ Validation of our Net Zero carbon targets for the Group by SBTi. ✓
2025	Procure 100% of renewable electricity on all UK and European wholly owned facilities. To reduce our Scope 1 and 2 emissions by 25% by 2025 from our baseline year. ✓
2030	To procure 50% Net Zero steel by 2030.
2033	To reduce absolute Scope 1 and 2 GHG emissions by 50.4% from our baseline. To reduce absolute Scope 3 GHG emissions by 50.4% from our baseline.
2040	To achieve Net Zero across our Scope 1 and 2 emissions by 2040 in line with SBTi.
2050	To achieve Net Zero across and all scopes in line with SBTi. To procure 100% Net Zero steel by 2050.

SCIENCE BASED TARGETS  
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Severfield NET ZERO

## Baseline emissions footprint

**Baseline Year: 2022 (FY23)**

### Additional Details relating to the Baseline Emissions calculations.

Severfield, in line with Streamlined Energy and Carbon Reporting (SECR) requirements, captures and analyses data using the GHG protocol and BEIS emission factors.

All of Severfield's Scope 1 and 2 emissions and four\* operational Scope 3 categories were verified externally by third parties (Achilles 'Carbon Reduce', ISO 14604-1) in the baseline. As part of our GHG emission reporting we report annually on a total of 8 of the 15 relevant categories of scope 3 emissions relevant to our business. FY23 is also our SBTi baseline year.

In FY24, we have re-calculated our baseline year with the inclusion of recent Voortman Steel Construction Holdings (VSCH), in line with our GHG recalculation policy.

### Baseline year emissions:

EMISSIONS	TOTAL (tCO <sub>2</sub> e)
Scope 1	6,649
Scope 2	261
<b>Scope 3</b> This figure includes: Category 1 - Purchased goods and service Category 3 - Fuel and energy related Category 4 - Transport and Distribution* Category 5 - Waste* Category 6 - Business Travel* Category 7 - Employee Commuting* Category 12 - End of life treatment  * Verified categories  We calculate Category 2 - Capital goods but it's size is negligible and therefore is not reported on, Category 8-11, and Category 13-14 are not applicable to Severfield.	318,044
<b>Total Emissions</b>	<b>324,032</b>



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## Current emissions reporting

### Reporting Year: 2023 (FY24)

All of Severfield's Scope 1 and 2 emissions and four\* operational Scope 3 categories were verified externally by third parties (Achilles 'Carbon Reduce', ISO 14604-1) in the current reporting period. The emissions from these categories are reported below.

As part of our GHG emission reporting we report annually on a total of 8 of the 15 relevant categories of scope 3 emissions relevant to our business. These calculations include our recent acquisition Voortman Steel Construction Holdings (VSCH).

EMISSIONS	TOTAL (tCO <sub>2</sub> e)
Scope 1	6,101
Scope 2	157
<b>Scope 3</b> This figure includes: Category 1 - Purchased goods and service Category 3 - Fuel and energy related Category 4 - Transport and Distribution* Category 5 - Waste* Category 6 - Business Travel* Category 7 - Employee Commuting* Category 12 - End of life treatment  * Verified categories  We calculate Category 2 - Capital goods but it's size is negligible and therefore is not reported on, Category 8-11, and Category 13-14 are not applicable to Severfield.	240,094
<b>Total Emissions</b>	246,352



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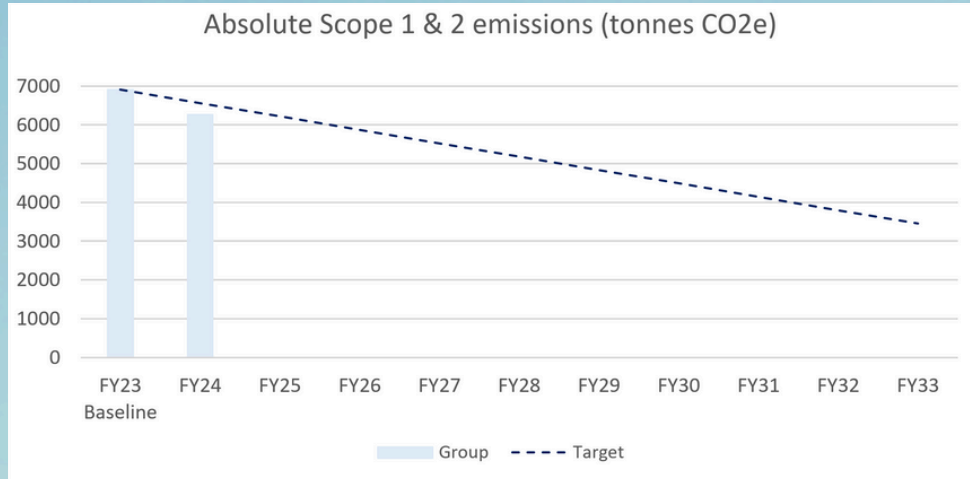
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## Emissions reduction targets

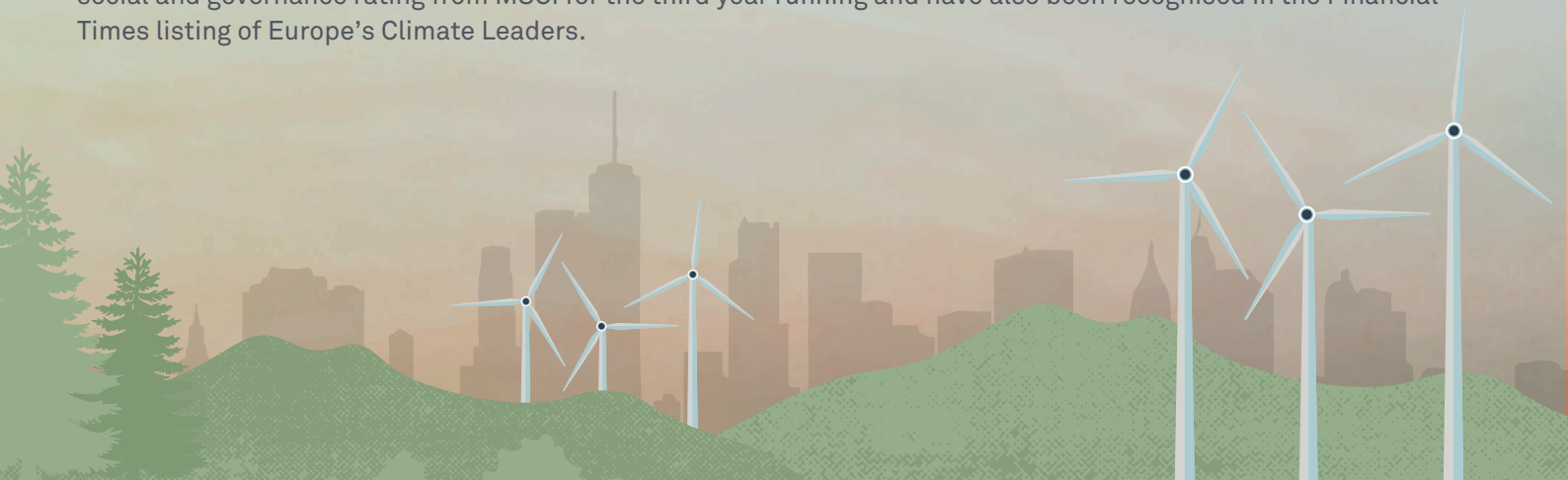
In the reporting year, we have achieved a 9% reduction in line with our newly approved SBTi targets for Scope 1 and Scope 2 near-term GHG emissions. This target is in line with science and the 1.5°C warming scenario. Progress against this target can be seen in the chart below:



## Carbon reduction projects

Good progress has been made during FY24 in further reducing energy and fuel consumption and carbon emissions.

- During the year, we have achieved 9% emission reduction from our Scope 1 and 2 SBTi near-term target against FY23 baseline. For example:
  - continued to implement lean ways of working in our offices, factories and on construction sites
  - continued the transition to using hydrotreated vegetable oil ('HVO') across our facilities and construction sites
  - expanded the procurement of renewable electricity for our facilities and completed further research into the feasibility of installing renewable energy generation at our facilities
  - further developed our Group processes to consider energy efficiency and environmental criteria in design, procurement, investment and contracting decisions, including the introduction of an internal carbon calculator
  - worked with key suppliers, engaging on our mutual sustainability strategies, and delivering decision-enhancing, transparent carbon reporting on a range of our projects.
- In 2024, we have increased our green electricity procurement for all UK owned facilities to 100 per cent green electricity procured across the Group.
- We have maintained our carbon neutrality. Externally verified by Achilles, our Net Carbon Zero certification in line with ISO 14064-1:2018 forms an important part of our commitment to Net Zero.
- We achieved CDP 'A' score for our leadership on climate change mitigation, retained our AAA environmental, social and governance rating from MSCI for the third year running and have also been recognised in the Financial Times listing of Europe's Climate Leaders.



## 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 standard and uses the appropriate Government emission conversion factors for greenhouse gas company reporting.

Scope 1 and Scope 2 emissions have been reported in accordance with SECR requirements, and the required subset of Scope 3 emissions have been reported in accordance with the published reporting standard for Carbon Reduction Plans and the Corporate Value Chain (Scope 3) Standard.

This Carbon Reduction Plan has been reviewed and signed off by the Chief Executive Officer.

### Signed on behalf of the Supplier:



**Alan Dunsmore,**  
Chief Executive Officer  
30th July 2024

