

## Supporting our roadmap to Net Zero

### 1. Introduction and Context

Lanes Group commits to supporting a reduction of carbon emissions, including travel and transportation activities, effective management of operations, and use of a life cycle approach to carbon and cost implications when considering our operations as a parent organisation.

Aligned to our ESG Strategy, our flagship goal through our carbon management approach is to transition to a low carbon economy; we are committed to climate action (Sustainable Development Goal 13) and responsible consumption and production (Sustainable Development Goal 12). Our first step on this goal is to establish our commitment to Net Zero via a science-based approach to near-term targets.



Setting the context of this Carbon Reduction Plan (CRP), we support the UK Governments Net Zero emissions by 2050 target as established by the Climate Change Act. This CRP refers to the current baseline year of 2021/22 for the purpose of reporting our UK emissions footprint, and most recent current emissions reporting year of 2023/24. Our current financial year operates from 1<sup>st</sup> August to 31<sup>st</sup> July. In developing this CRP, we refer to the Cabinet Office Carbon Reduction Plan Guidance.

In defining a net zero pathway for Lanes Group, we adopt the meaning that the greenhouse gases removed from the atmosphere are in balance with the greenhouse gases emitted. To deliver proactively against the net zero target, we are reviewing our carbon baseline data to align to a new financial year of January 2025 to December 2025, following transition from Lanes Group Plc to Lanes Group Ltd in August 2024. In doing so, it is our aim to establish Science-Based Target's (SBTs) aligned to the Science Based Target initiative (SBTi) guidance and corporate standard, and following, obtain Lanes Group Ltd Board approval of near-term targets, we will submit to SBTi for validation recognising our ambitions to lead the way in the water and wastewater management sector on climate action via science-based emissions reduction targets in the UK.

Carbon emissions are referred to as carbon dioxide equivalent (CO<sub>2</sub>e) to account for all greenhouse gas sources within this CRP. Lanes Group retain the right to provide a

copy to all interested parties upon request and will submit the latest version of the CRP within 30 days of a request.

## **2. Organisational Structure**

The carbon reduction plan includes the following subsidiaries of Lanes Group:

- Lanes-I
- Sapphire Utility Solutions
- UKDN Waterflow (LG)

AQS Environmental Solutions operates within the Republic of Ireland and for the purpose of this CRP in the UK, the carbon emissions from the operations of AQS Environmental Solutions subsidiary and associated turnover is excluded from scope.

Clear-flow Ltd was acquired by Lanes Group during the current emissions reporting year, therefore the carbon emissions from Clear-flow activities are not included within this version of the CRP. Emissions will be included in subsequent year following re-baseline, with turnover included to accurately report on intensity metrics.

The CRP is thereby specific to the bidding entity to ensure relevance to UK requirements. In accordance with ISO 14064, the approach used in the footprint is based on the principle of 'organisation control'. Under the control approach we accounted for GHG emissions from operations over which the Group has control in the UK.

## **3. Purpose**

The purpose of this CRP is to set out our approach to carbon reduction aligned to the scope of operational activities of Lanes Group. The CRP recognises the importance of adopting a long-term view to carbon management and sets a strategic direction to reducing carbon emissions in line with the carbon hierarchy. Monitoring of carbon emissions aligns with GHG Protocol Corporate Accounting and Reporting Standard.

## **4. Aim**

Our aim is to reduce our carbon footprint on a continuous basis. Reflecting that the highest proportion of our operational emissions arise from our fleet. In delivering capital works, the embodied carbon footprint of materials used is within future scope of our approach to carbon reduction, reflecting the materials procured to deliver services to our clients either as a tier 1 or tier 2 contractor.

## 5. Baseline Emissions Footprint

Emissions baseline report for financial reporting year August 2021 to July 2022 include direct emissions (scope 1) from consumption of fossil fuels and fugitive emissions. Scope 2 emissions relate to indirect emissions from purchased electricity.

Scope 3 emissions are limited to:

- Business travel (not included in Scope 1 or Scope 2)

EMISSIONS	TOTAL (tCO <sub>2</sub> e)
Scope 1	22,160
Scope 2	316
Scope 3 (Limited Sources)	113
Total Emissions	22,589

## 6. Current Emissions Footprint

Carbon emissions for the financial reporting year August 2023 to July 2024 amounted to 46,697.6 tCO<sub>2</sub>e, with 73.2% arising from Scope 1 fossil fuels used in company vehicles.

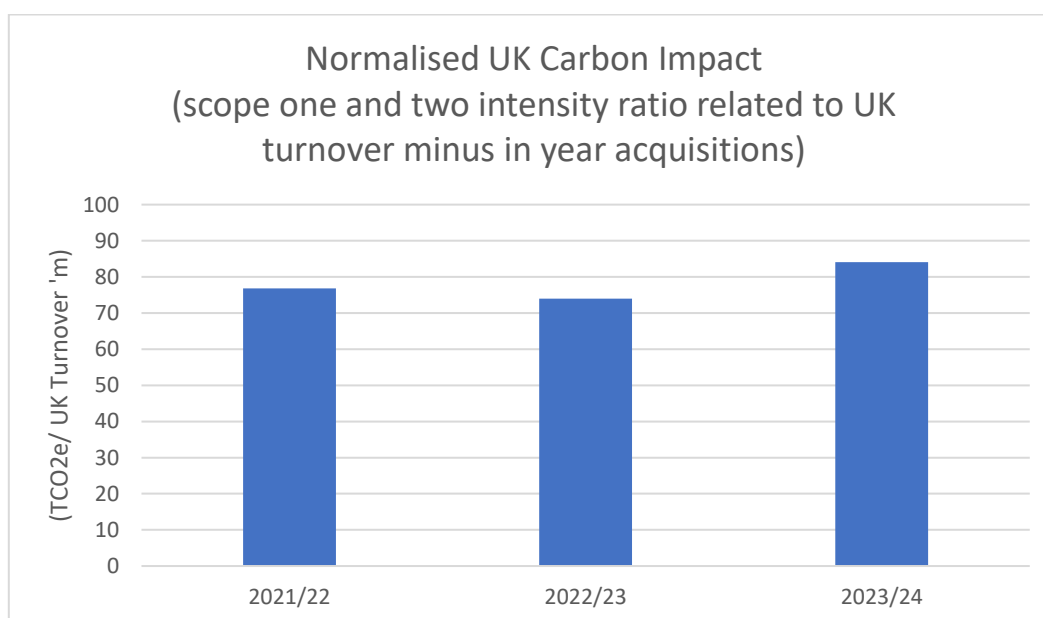
Scope 3 emissions reported limited to:

- Fuel & energy related activities (not included in Scope 1 or Scope 2)
- Business travel (not included in Scope 1 or Scope 2)

EMISSIONS	TOTAL (tCO <sub>2</sub> e)
Scope 1	37,702
Scope 2	399
Scope 3 (Limited Sources)	8,596
Total Emissions	46,698

## 7. Change In Relative Emissions

Lanes Group has grown significantly over the years. Therefore, performance is reviewed regarding a change in relative emissions to determine the normalised UK carbon efficiency year on year and ensure actions taken to reduce impact deliver an improved performance. As scope 3 emission data is currently limited, it is not considered within this performance metric. Relative emissions are compared based on scope 1 and 2 emissions against UK turnover for the purpose of the CRP. Turnover from in year acquisitions where scope 1 and 2 carbon data is not available for inclusion has been removed to improve accuracy of the intensity ratio. Action is being taken to produce a full scope 3 assessment to support a revised baseline year, following changes to Lanes Group and parental organisation structure as of August 2024.



## 8. Emission Reduction Goals

Aligned to the UK's commitment of Net Zero Emissions by 2050, the following CRP goals are established.

**Goal 1:** Reduce scope 1 and 2 carbon emissions and establish a net zero pathway, including sourcing building energy from renewable energy sources. To establish a baseline report including all 15 categories of scope 3 emissions.

**Goal 2:** Deliver on opportunities for use of low carbon materials within scope of capital works, ensure a whole life cycle perspective is considered and use of environmental product declarations.

**Goal 3:** Eliminate avoidable emissions through behavioural campaigns, training, and toolbox talks.

## 9. Carbon Emissions and Carbon Reduction Projects

In delivering carbon emission reductions, we recognise that our significant emissions sources are:

**Scope 1 – Direct Sources:** Fleet transport operations and use of use of different fossil fuels. Other emissions originate from natural gas and heating oil.

**Scope 2 – Indirect Sources:** Generation from purchased electricity, steam, heating, and cooling. Other sources include the use of hybrid and electric company vehicles.

**Scope 3 – Indirect Sources:** Emissions indirectly through the value chain. This includes purchased goods and services, capital goods, fuel and energy related activities, upstream transportation and distribution, waste generated in operations, business travel and employees commuting.

Our delivery approach to carbon reduction is to mobilise all operational activities in line with our integrated management system plan, do, check, and act model. First, we will review our carbon baseline, review, and prioritise actions against targets, deliver improvements and report performance.

Lanes Group has introduced several carbon reduction projects over the last three years, aligned to our commitment towards Net Zero. Due to our operations being transient, we rely on vehicles which are our largest contributor to carbon emissions.

Our ISO 14001:2015 accredited Environmental Management System has detailed policies focused on our carbon emissions and how these can be reduced. Our annual SECR report involves a third-party audit and review of our progress in carbon reduction. As we grow as a Group, we will produce our first climate-related financial disclosure, which will disclose our greenhouse gas emissions, environmental risks and the measures taken in response.

In summary the following carbon reduction projects have been introduced.

**Renewable energy:** Investment in renewable energy generation. Solar photovoltaic panels (PV) were installed to four suitable building roofs at the Lanes Eccles depot in January 2024. A total of 134.59kWp is expected to generate 106,716kWh of renewable electricity on-site annually and save 22.1T of CO<sub>2</sub>e.

**Investing in low carbon emission vehicles:** We will continue to invest heavily in our vehicle fleet to buy low carbon emission vehicles. 62% of our vehicles are Euro 6 compliant. Where it is possible we will condense equipment onto smaller, more compact vehicles to reduce our carbon emissions per mile travelled.

**Teamleaf:** Our cloud-based bespoke work management system enables the nearest suitable vehicle to be directed to respond to a client's requirements, reducing fuel consumption, miles travelled and providing reduced carbon emissions whilst also delivering improved customer service and operational savings.

**Samsara Telematics:** Monitoring the fleet in real-time 24/7, Speeding, Cleaner and Smoother behaviour reports are analysed for improvement opportunities.

**Revive:** Our work with Revive demonstrates our commitment to reducing our carbon footprint. We pair re-used elements of vehicles with new, resulting in a longer shelf life of the vehicle overall. For every ton of unit, we reduce 2 tonnes of carbon due to this design. For example, for every 26-ton Jet Vac unit, we reduce 52 tonnes of carbon. For every 32 Recycling unit, we reduce 64 tonnes of carbon.

**Minimising mileage:** We consider where staff and vehicles are based when resourcing to minimise the mileage required for every project and will always work from local depots to reduce unnecessary logistical travel.

The following ongoing carbon management projects will support delivery of the CRP goals.

**Fleet:** 100% EURO-6 compliant fleet and road map setting direction on switch to electrification and low-emission vehicles. Compact resolution vehicles deployed to worksite where possible, delivering 51% carbon emissions compared to an HGV. Using a compact unit where a cityFlex is not required reduced carbon impact by 22%. Rev limiters applied to all commercial vehicles. Use of enhanced fuel monitoring system. Smarter monitoring of driving behaviours to target increase fuel efficiency.



**Planning work:** Use of other scheduling tools such as Big Change to plan and mobilise workflow, ensuring efficient use of resources and shortest distance travelled between locations. Practical use of Samsara to monitor idling.

**Materials:** Innovative use of materials e.g. increased recycled aggregate use and use of RoadMender Polymer Modified Mastic Asphalt (PMMA) to EN 13108-6 for reinstatement openings in highways. Transitioning away from clay pipes to plastic pipes and associated fittings reduce carbon impact of materials used by 65%.

**Behaviours:** Smarter monitoring of driving behaviours to increase fuel efficiency and launch of carbon awareness/literacy training programme. Acquiring the knowledge and skills to lower carbon emissions can realise carbon savings of 5 to 15%.

**Business Travel:** Avoid travel where face to face is not required by use of virtual meeting. Use public transport where possible. Increase proportion of electric miles, and transition from hybrid to full electric.

## 10. Objectives and Targets

To deliver on the CRP, the following targets, objectives, and actions are established. The purpose of these objectives and targets are to support an approach to science-based reductions of a 5% intensity reduction year on year following a revised baseline year, taking account of growth of Lanes Group in recent years.

OBJECTIVES	TARGETS	ACTIONS
Apply circular economy principles to material use	Use of PMMA as preferred method for reinstatement. Reuse and recycle to avoid virgin aggregate and waste.	Monitor and measure proportion of materials reused in-situ from excavations. Use of PMMA vehicle, which replaces 49% bitumen with end-of-life waste tyres. Recycle waste materials where cannot reuse.
Monitor and encourage eco driving	100% of drivers to be briefed on eco-driving techniques. Rewarding improvements.	Review fleet optimisation, leveraging telematic data for savings and promotion of top eco drivers with monthly reward.
Implement an idling policy and reduction programme	Reduce non-P.T.O idling by 10% year on year.	Prohibits vehicle idling unless the vehicle is in Power Take-Off (P.T.O.) operational mode and monitor and report on compliance.

Use of electric plant and equipment where reasonably practicable	45% reduction by 2030 for scope 1 related emissions. Net Zero target.	Working with plant supplier, provide electric options where technically feasible. All task lighting to be electric.
Fleet and company car renewal policy	Fleet to be low carbon powered/electric. Monitor electric miles versus diesel miles and target 10% improvement year on year. Transition company vehicles to electric (where technically feasible).	Continue to transition company vehicles from diesel to hybrid and full electric to service our operations. Where electric is not feasible due to geography of the operational area, trial and test low carbon fuel alternatives within commercial vehicles and review options for green hydrogen transition. Company cars move to EV within lease timescales. Company car orders to be electric in line with lease agreements and where charging infrastructure supports technical feasibility.
Building Energy	100% renewable electricity	Procure renewable tariffs.
Behavioural and education	Raise awareness of carbon impact.	Develop toolbox talk on carbon awareness and roll out via learning and development programme.

## 11. Governance

Lanes Group ISO 14001: 2015 Environmental Management System (EMS) includes specific objectives for carbon emissions reduction and provides a rigorous and transparent system for monitoring and reporting to senior management. The EMS includes internal and external audits to assure compliance, and carbon and energy targets that will be monitored, and reported going forward within our ESG performance report.

The CRP will be reviewed and updated at least annually by the Lanes Group Head of ESG.

## 12. 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<sup>1</sup> and uses the appropriate Government emission conversion factors for greenhouse gas company reporting<sup>2</sup>.

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<sup>3</sup>.

This Carbon Reduction Plan has been reviewed and approved for issue on behalf of the Lanes Group Board of Directors.

**Signed on behalf of Lanes Group:**



Scott Norris, Commercial Director and Company Secretary

Date: 3<sup>rd</sup> July 2025

### 13. Revisions

Revisions post first issue are required due to new information coming to reference.

Revision No	Date	Rationale
002	3 <sup>rd</sup> July 2025	FY 2024 accounts published with change noted to turnover and restated turnover for prior year. Removed non-UK turnover and turnover related to acquisition of Clear Flow as carbon data is not currently included within SECR carbon data. The scope 1 and 2 carbon intensity rate within the plan is updated.

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

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

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