Emissions Progress 2025 Report

DNH
CONSTRUCTION LTD

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DNH Construction
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Mission Statement

"DNH is a well-established construction firm based in the South West of England. We offer a range of services from small maintenance works to large projects in various settings from grade 1 listed buildings, banks and schools to care homes and insurance repairs in domestic and commercial properties.

Our ambition is to halve our Carbon emissions by 2030 and to achieve NET zero by 2050 as called for by the Paris Agreement on Climate Change[1].

DNH has had it's near-term target of a reduction of 42 percent by 2030 validated by the Science Based Target initiative SBTi

https://sciencebasedtargets.org./faqs-for-smes/

Our Ethos is to provide excellent quality of service through a skilled and enthusiastic work force and dynamic management.

Our aim is to achieve quality, excellence and innovation through efficient and sustainable use of energy and materials both in house and through our supply chains.

Where we can influence or control, we will work with others to:

- ***Improve energy efficiency and reduce Greenhouse Gas emissions***
- ***Use materials efficiently, selecting those with a low environmental impact***
- ***Reduce waste by applying the waste hierarchy to increase material recovery for reuse and recycling***
- ***Reduce pollution and where possible our impact on biodiversity and natural Ecosystems"***

[1] **An international binding agreement on climate action adopted by representatives from 196 countries in 2015**

Target Summary

Sector – Construction Materials

Base Year 2022 – Platform – Science Based Target initiative

Target Summary – Absolute - (published – 15 June 2023)
Near Term – 1.5^{0}C by 2030

This target was approved using a streamlined target validation route exclusive to small and medium sized enterprises (SME's)
https://sciencebasedtargets.org./faqs-for-smes/

Commitment

DNH Construction LTD commits to reduce scope 1 and scope 2 GHG emissions by 42% by 2030 from a 2022 base year, and to measure and reduce its scope 3 emissions.

Near term Objectives

In order to stand a realistic chance of reducing our emissions by 42 percent by 2030 and with an ambition to achieve net zero by 2050 DNH we have chosen a modest target of a five percent reduction in Scope 1 emissions and a ten percent reduction in Scope 2 emissions for the current year 2024. We subsequently intend to increase this target in future years as we benefit from emerging technologies and our own learning curve. The plan being to increase the reductions steadily in order to stand the best chance of achieving a near term target reduction of 48 percent by 2030.

This year we will not be reporting on Scope 3 emissions but we will be implementing measures to reduce them, which can be found on pages 12-13 of this report.

Reporting Year 2025	Base Year 2022
Annual revenue £ 7,500,000	Annual revenue £ 4,500 000
Number of employees - 43	Number of employees - 35
Figures include labour only subcontractors	

Scope 1 Emissions

Often referred to as Burn, scope 1 emissions resulting from the consumption of fossil fuels are the easiest for businesses to address, through measurement and reduction.

DNH Construction
Scope 1 Emissions – Reporting Year 2025

Total
10.6 Metric Tons of CO_2[2]

Breakdown.
Resulting entirely from running own vehicles i.e. (fleet vehicles and grey fleet used for company activities)

The following categories are not applicable to our business activities (DNH)

- Fuel used for heating own facilities
- Fuel used for own processes

[2] **Calculated using the Business Carbon Calculator powered by Normative provided through the SME Climate Hub**

Scope 2 Emissions

Are those greenhouse gas emissions associated with the consumption of purchased electricity, steam, heat and cooling. They are referred to as indirect emissions as they occur from sources our business does not control.

Scope 2 Emissions – Reporting Year 2023

Total
0.182 Metric Tons of CO_2[3]

Breakdown.
Resulting entirely from electricity use at our Plymouth Office i.e. heating and use of IT and other electrical equipment.

The following categories are not applicable to our business activities

- Purchased steam
- Purchased heating/gas
- Purchased cooling

[3] **Calculated using the Business Carbon Calculator powered by Normative provided through the SME Climate Hub**

Scope 3 Emissions

Scope 3 Emissions include all other indirect emissions that occur in the upstream[4] and downstream[5] activities of an organisation (Definition – Carbon Trust). They cover the full lifecycle of a product or process.

Carbon Trust research shows that for most companies, Scope 3 emissions represent from 65% to 95% of a company's broader carbon impact.

These include those emissions associated with our purchased goods and services, business travel, employee commuting, waste disposal, energy use and lifecycle of products (buildings) etc.

These by their nature are difficult to measure and fall outside our direct control.

DNH are currently not measuring Scope 3 value chain emissions but we estimate that these represent ninety five percent of our total carbon emissions.
This estimate is based on limited benchmarking within the building sector.

We intend to provide a revised estimate of our Scope 3 emissions based on SME Climate Hub Business Carbon Calculator in next year's report.

[4]Upstream – Carbon emissions associated with the materials and resources needed to carry out the work

[5] Downstream – Carbon emissions associated with the lifecycle of the product/building including dismantling and final handling.

Strategy for reducing carbon emissions

DNH are taking the following actions to reduce our Scope 1 emissions

DNH have an operational fleet of 23 vehicles, consisting predominantly of diesel ford transits with some older Citroen Berlingo's.
These typically travel in excess of 408,000 miles annually in response to customer demands. These are replaced in line with industry standards generally every 3 to 5 years. There is currently debate on the direction car manufacturers will focus production in the short term, with several recently deciding to focus entirely on hybrid vehicles. We have therefore made the decision to defer investing in new fleet vehicles until they are required to be replaced.
In the meantime we are implementing a robust fuel efficiency awareness programme.
It has been identified that significant savings should be achievable by focusing on the following areas.

Strategy for reducing fuel consumption as follows:

- Driver training awareness, covering the following points
- Optimising routes
- Efficient driving techniques
- Driver behaviour, avoiding harsh acceleration/ breaking and where possible driving at the optimum speed for fuel consumption and appropriate use of cruise control
- Anticipating

- Minimising idle times
- Limiting use of air con i.e. at lower speeds
- Vehicle checks and maintenance
- Tyre pressure, oil and coolant levels
- Monitoring fuel use against miles travelled
- Loading of vehicles

Estimated efficiencies

Source
Based on the following reference sources[6]

According to studies backed by the department of energy, the average vehicle will be at its advertised MPG at 55 mph. But as the speed increases:

- *3% less efficient at 60 mph*
- *8% less efficient at 65 mph*
- *17% less efficient at 70 mph*
- *23% less efficient at 75 mph*
- *28% less efficient at 80 mph*

We conservatively estimate that fuel efficiency measures covered in the training will result in savings of between 5 to 10 percent in the current year. Going forward we will be investigating the following areas with the view of adopting those that appear cost effective and suitable for our needs.

- Fleet management software – reviewing current telemetrics
- Hybrid vehicles and emerging technologies
- For high milage vehicles replacing with fuel efficient tyres as required

It should be noted when comparing our current reporting year 2023 with that of our baseline 2022, that our Scope 1 emissions have increased slightly. This should be taken in context, due to an increase in the size of the workforce and significant increase in turnover.

DNH Turnover	Scope 1 Emissions	Relative Change Turnover	Emi[7]
2022 - £ 4,500 000	10.3 Metric Tons CO_2		
2025 - £ 7,500 000	10.6 Metric Tons CO_2	66.7%	2.9%

[6] Mpg For Speed - Fuel Efficiency Vs. Speed Dept of Energy figures
[7] Relative Change Measured Emissions between Base year (2022) and current year (2023)

DNH are taking the following actions to reduce Scope 2 emissions

Head office – Roborough, Plymouth:

DNH currently lease the premises but the nature of the contract allow sufficient flexibility to modify the building to suit our requirements and if required to relocate. We are currently assessing existing levels of insulation within the building to determine potential long term savings, we are also looking into the possible benefits of installing energy efficient window films and fittings to better control solar gain.

DNH purchases electricity from Scottish Power on a standard business tariff, this is used for heating, lighting and operating office equipment at our Plymouth Office. This is the sole source of our Scope 2 emissions and electricity use is already tightly controlled. As would be expected electricity use is highest over the colder months.
We have however identified the following measures which will contribute in the near term to reducing our use of electricity.

- We will be replacing our remaining fluorescent bulbs with LED lights which are more efficient and have a far greater lifespan.
- When replacing office equipment, consideration will be given to power ratings/efficiency and sustainable products.
- Staff Briefing have been arranged to reinforce smart energy use, i.e. Not over charging electrical items. Switching off unnecessary office equipment and unplugging chargers when not in use.
- Extended Christmas shutdown (homeworking if required)
- Home working/flexible working during severe cold weather
- Proactive use of weather forecast to optimise use of thermostatically controlled heating.

Longer term we will be comparing green business tariffs to determine if they are suitable for our current requirements.

DNH are taking the following actions to reduce Scope 3 emissions

Scope 3 emissions as previously defined (page 7)

Included within our Scope 3 emissions are carbon emissions resulting from the use of grey fleet (private vehicles used for general commuting)

Commuting
As a business DNH encourage their workforce to participate in car share schemes and to use public transport. DNH's approach to Flexible hours and occasional home working allows our workforce to avoid peak travel times and congested roads, which can significantly reduce both commuting costs and associated emissions.

Purchased Goods and Services,
Reduce:
When sourcing materials from our suppliers we attempt to reduce packaging waste to the absolute minimum required, particularly with regard to plastic shrink wrap where alternatives are considered first.
When ordering materials for a project, attention is paid to the specification and materials bought in batches to limit waste and potential damage while on site.
Where we have direct influence on the specification we will recommend sustainable low energy and low maintenance products and low impact eco-friendly building materials.
Where our COSHH assessments identify a product as being harmful to the environment consideration is given where ever possible to less harmful alternatives.
We look to our subcontractors and service providers to have similar ethos and to maintain these standards.

Business travel,
Wherever possible we arrange virtual meetings with clients to reduce unnecessary milage and encourage our subcontractors to do the same.

Travelling to and from Sites
We work throughout Devon and Cornwall and Somerset and travelling to and from site is a significant contribution to our overall greenhouse gas emissions.
We accordingly plan and monitor work activities through a GPS Fleet Management System in order to minimise unnecessary travel.

Waste Management

Recycle:
Our employees and subcontractors are instructed to follow waste management instructions and separate waste materials into individual waste streams prior to disposal in the relevant skips. Activities are monitored to ensure that appropriate standards are maintained.

Reuse:
When buying materials secure storage is available at our office in addition to any that may be provided on site. This ensures that any surplus materials can be stored under cover and used for further projects.
Attention is paid to the shelf life of products and wherever possible those with the shortest date stored so they can be accessed and used first.
During refurbishments wherever possible existing fixtures and fittings are reused or recycled.

Dispose
Waste removal from site is arranged through local responsible waste management providers

Spreadng the message

DNH will be encouraging our suppliers to significantly reduce their emissions in line with near term emissions targets set by the Paris agreement[8] and where ever possible to commit to making these near term reductions and achieving net zero by 2050.

Our procurement policy ensures that our suppliers meet the same strict standards we set ourselves. The majority of them have a turnover well in excess of £36 million or in excess of 250 employees. which places a legal requirement for them to report on their UK energy use and carbon emissions under the UK's Streamlining and Carbon reporting (SECR) Policy.[9]

We are currently checking with our suppliers to ensure that they are meeting their obligations and estimate to have to date approached 60 percent of them, all of whom have fully committed to setting appropriate targets.

DNH have also confirmed our commitment to our Business Customers and have checked to ensure they are making similar commitments.

Ninety nine percent of our Turnover results directly from arrangements made through large commercial enterprises, typically insurance companies, all of whom are legally required to measure and report on their carbon emissions. As such they have already signed up to achieving appropriate targets in line with achieving Net Zero by 2050.

[8] An international binding agreement on climate action adopted by representatives from 196 countries in 2015
[9] Applies to companies that meet 2 or more of the following criteria i) a turnover of £36 m or more ii) a balance sheet of £18 m or more iii) 250 employees or more

Management and Strategy.

Our Managing Director (Simon Homes MCIOB, AssocRICS) and senior management team are responsible for climate strategy and actions are clearly allocated at this level.

We are currently looking at our strategy, business model and service portfolio to see if we can better align them with the latest climate science.

In particular with regard to utilizing new materials and energy efficient methods of work

Case Study: Sustainable Restoration of "The Walled Garden" Ipplepen, Devon

Project Overview: In our continuous effort to align with environmental sustainability, our company undertook a significant restoration project at "The Walled Garden." This project involved the meticulous rebuilding of a listed stone wall, a task that required careful handling of historical materials and adherence to stringent conservation guidelines.

Sustainability Goals: The primary objectives for this project were:

- To use recycled and reused materials wherever possible.
- To minimise waste and ensure all site waste was recycled.
- To restore the hedge walls to their original state.

Materials and Methods:

- **Recycling and Reuse:** The stone wall rebuilding was predominantly carried out using stones salvaged from the original structure and other recycled sources. The only new material used was lime render, necessary for its properties suitable for historical preservation.
- **Waste Management:** All waste generated on-site was sorted and placed into designated recycling skips. This ensured that materials like old mortar, unusable stone fragments, and any ancillary debris were processed for recycling rather than being sent to landfill.
- **Hedge Wall Restoration:** In addition to the stone wall, we undertook the reinstatement of the hedge walls, ensuring they were restored to their pre-existing conditions. This involved careful selection and placement of plant materials to match the historical and ecological characteristics of the original hedgerows.

The Walled Garden prior to restoration

Environmental Impact:

- **Reduction in Material Waste:** By using predominantly recycled and reused materials, we significantly reduced the demand for new resources, thus lowering the project's overall carbon footprint.
- **Effective Waste Recycling:** Our commitment to recycling all site waste resulted in diverting several tonnes of material from landfill. This not only conserved landfill space but also ensured that materials were reintroduced into the supply chain.
- **Biodiversity Preservation:** The careful restoration of hedge walls helped preserve the local biodiversity. These hedgerows serve as habitats for various species, and reinstating them supported local wildlife and maintained ecological balance.

Challenges and Solutions:

- **Material Sourcing:** Sourcing suitable recycled stones that matched the historical context of the wall was challenging. We collaborated with local suppliers and historical conservation experts to ensure material authenticity and quality.
- **Lime Render Application:** Using lime render, while necessary, required specialized skills. We conducted training sessions for our workers to ensure the correct application techniques were used, preserving the wall's structural and aesthetic integrity.

Outcomes: The project was completed successfully, with all sustainability targets met or exceeded. The stone wall stands as a testament to our commitment to preserving historical structures while integrating modern sustainable practices. The restored hedge walls now flourish, enhancing the site's natural beauty and supporting local ecosystems.

Conclusion: The "Walled Garden" project exemplifies our dedication to sustainable construction and restoration practices. By prioritizing the use of recycled materials, implementing robust waste management protocols, and preserving local biodiversity, we have set a benchmark for future projects. This case study will serve as a model for similar initiatives, demonstrating that heritage conservation and environmental sustainability can go hand in hand.

The Walled Gargen After Restoration

Climate Risks

We currently do not specifically identify, assess and manage climate risks but are deeply aware that the effects of climate change are likely to impact our work activities. There remains a distinct likelihood, that the number of insurance claims will increase significantly in the near term. However in the long term there is the risk that some domestic and commercial properties may become uninsurable, despite the governments present stance not to exclude and to build back better.

Building Back Better

It should be noted that the Build Back Better Scheme provides resilience to properties at further risk of flooding by incorporating sustainable measures like flood resistant doors and increasing the height of electrical sockets**.**

Although this will help to reduce Scope 3 emissions, there would become a point where rebuilds/refurbishments in some locations will become unsustainable. How this will impact on our current business model remains to be seen.

Mitigation

As a business we have an extensive client base which will go some way towards mitigating future trends and we continually assess alternative revenue streams so as not to become over reliant on existing clients.