JOURNEY TO NET ZERO 2050

2026 EDITION

HENRY BROTHERS

Altogether Stronger

HENRY BROTHERS

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STATEMENT FROM CHIEF EXECUTIVE OFFICER

The transition to a Net Zero economy requires collective and decisive action. Collaboration across our industry and supply chain is essential to achieving the highest standards and delivering meaningful, lasting change.

Since launching our first Sustainable Business Strategy, we have made strong progress in reducing greenhouse gas emissions, delivering substantial reductions across our operations between 2014 and 2025. This progress demonstrates what can be achieved through clear ambition, accountability and innovation, while reinforcing our commitment to continuous improvement in the years ahead.

Through our continued commitment to the Business in the Community Climate Action Pledge, Henry Brothers remains focused on driving positive change across Northern Ireland and beyond. However, we recognise that the next phase of our journey must go further - particularly in addressing Scope 3 emissions, strengthening supply chain engagement and accelerating the adoption of low-carbon technologies.

Our updated 'Journey to Net Zero' strategy sets out this next stage. We are proud of the progress made to date, but we are equally clear that sustained leadership, collaboration and innovation will define the road ahead.

Together, we can build not only lower-carbon projects, but a more resilient and sustainable future for our industry.

David Henry
Chief Executive Officer

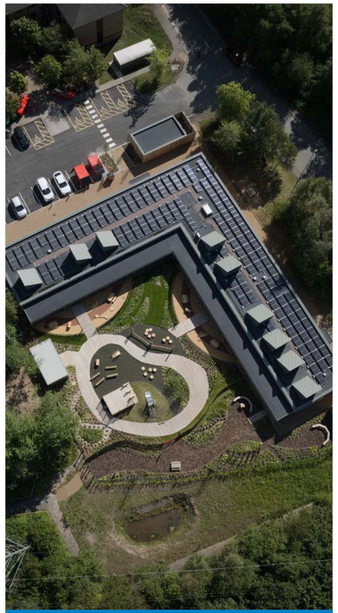
JIM HENRY
CHAIRMAN EMERITUS

EXECUTIVE SUMMARY

The urgency to decarbonise the built environment continues to intensify, and the construction sector has a critical role to play in supporting the UK's Net Zero ambitions. Henry Brothers recognises both the responsibility and opportunity this presents.

Having committed to reducing absolute greenhouse gas (GHG) emissions by 50% from our base reporting year by 2030 and achieving Net Zero by 2050, we are proud to have exceeded our 2030 target ahead of schedule. Between 2021 and 2025, we achieved a further 39.7% reduction in emissions, building on the 34% reduction delivered through our previous Sustainable Business Strategy.

This progress reflects sustained investment, operational efficiency improvements, innovation, and collaboration across our supply chain. We remain focused on delivering continued year-on-year reductions, targeting a minimum reduction of 65 tCO_2e annually, while prioritising the elimination of emissions across our operations and value chain. Carbon offsetting will only be considered once all feasible reduction measures have been exhausted.



STAFFORDSHIRE UNIVERSITY NURSERY & FOREST SCHOOL

While early reductions have been driven through operational efficiencies and targeted interventions, we recognise that further decarbonisation will become increasingly challenging as remaining emissions are concentrated in harder-to-abate activities, particularly within our value chain. Addressing these residual emissions will require greater innovation, supply chain engagement, technology development, and sector-wide collaboration. This challenge reinforces, rather than reduces, our commitment to sustained action on the pathway to Net Zero.

Building on the success of our previous strategy, we continue to embed sustainability across procurement, project delivery, innovation, and governance. Aligned with the UN Sustainable Development Goals, our approach aims to create lasting value for clients, communities and stakeholders while contributing meaningfully to the transition to a low-carbon economy. Progress will continue to be transparently monitored and reported to ensure accountability and continuous improvement as we advance towards Net Zero by 2050.

IMAGE: NOTTINGHAMSHIRE POLICE AND FIRE & RESCUE JOINT HEADQUARTERS

ACHIEVEMENTS TO DATE

- Achieved a 34% reduction in total GHG emissions through the first Sustainable Business Strategy (2014–2019).
- Achieved a further 39.7% reduction between 2021–2025, exceeding our original 50% reduction target set for 2030 ahead of schedule.
- Rolled out accredited Carbon Literacy Training across senior management and key departments
- Supported annual student research projects, most recently focused on Scope 3 emissions and supply chain engagement.
- Transitioned the company car fleet to 100% electric or hybrid vehicles
- Invested in a carbon offsetting scheme to address residual emissions.

WHERE DO WE GO FROM HERE?

- Continue annual reporting via Streamlined Energy & Carbon Reporting (SECR) and the Business in the Community Environmental Benchmarking Survey.
- Expand Scope 3 measurement and management, following insights from recent student research and supply chain engagement.
- Accelerate electrification and low-carbon technologies across operations, including site plant and equipment.
- Explore alignment with emerging Science-Based Targets initiatives and Net Zero standards to ensure ambition keeps pace with global best practice.

CONTEXT

Human activity has already resulted in approximately 1.2–1.3°C of global warming above pre-industrial levels. Recent climate data indicates that without rapid and sustained emissions reductions, the remaining carbon budget aligned with limiting warming to 1.5°C is rapidly diminishing.

Exceeding this threshold would significantly increase physical climate risks, disrupt supply chains, and impact the economic and social systems upon which we depend.

The built environment remains a major contributor to global emissions, accounting for approximately 40% of total carbon emissions when operational and embodied impacts are combined. In the UK, decarbonising construction and the wider built environment is central to achieving national Net Zero commitments. This direction of travel is reinforced by strengthened UK targets and carbon budgets, while recognising that over 80% of future emissions reductions are expected to come from sectors beyond energy supply, where decarbonisation is often more challenging and dependent on innovation, infrastructure and system-wide change.

ALFRETON PARK COMMUNITY SEN SCHOOL

For Henry Brothers, responding to climate change is not solely a compliance obligation, but an important part of how we continue to develop and strengthen our business. Clients increasingly expect measurable carbon performance, supply chains are under growing scrutiny, and regulation continues to evolve. Embedding carbon reduction into how we design, procure and construct is therefore essential to both environmental responsibility and long-term business resilience.

Taking action now, in partnership with our clients, designers and supply chain, ensures we contribute meaningfully to the transition to a low-carbon economy while delivering sustainable, future-ready assets.

KEY EMISSION CATEGORIES RELATED TO CONSTRUCTION

01 Operational Emissions

28% of global emissions are associated with buildings in use, including heating, cooling and lighting. Known as operational carbon, this reflects the emissions generated during the day-to-day running of built assets and is increasingly being addressed through improved energy efficiency, design and low-carbon energy sources across the industry.

02 Embodied Carbon Emissions

11% of global emissions are associated with the materials manufacturing and construction process. Known as embodied carbon, this reflects the emissions linked to the full lifecycle of building materials from extraction and production through to installation. Across the industry, there is growing focus on reducing embodied carbon through material choice, efficient design and supply chain collaboration.

ABOVE: PILOT HOUSE

The construction industry has a vital role to play in mitigating the impact of construction, but we also have a responsibility to influence and educate our clients and supply chain.

WHAT DOES NET ZERO MEAN?

Achieving Net Zero is a balance between emissions produced and removal of greenhouse gases, as set out in the Paris Agreement.

Henry Brothers were highlighted as one of the few businesses who signed up and reported emissions to the Business in the Community Environmental Benchmarking Survey for over 25 years, demonstrating a long term commitment to reducing the impact of our operations.

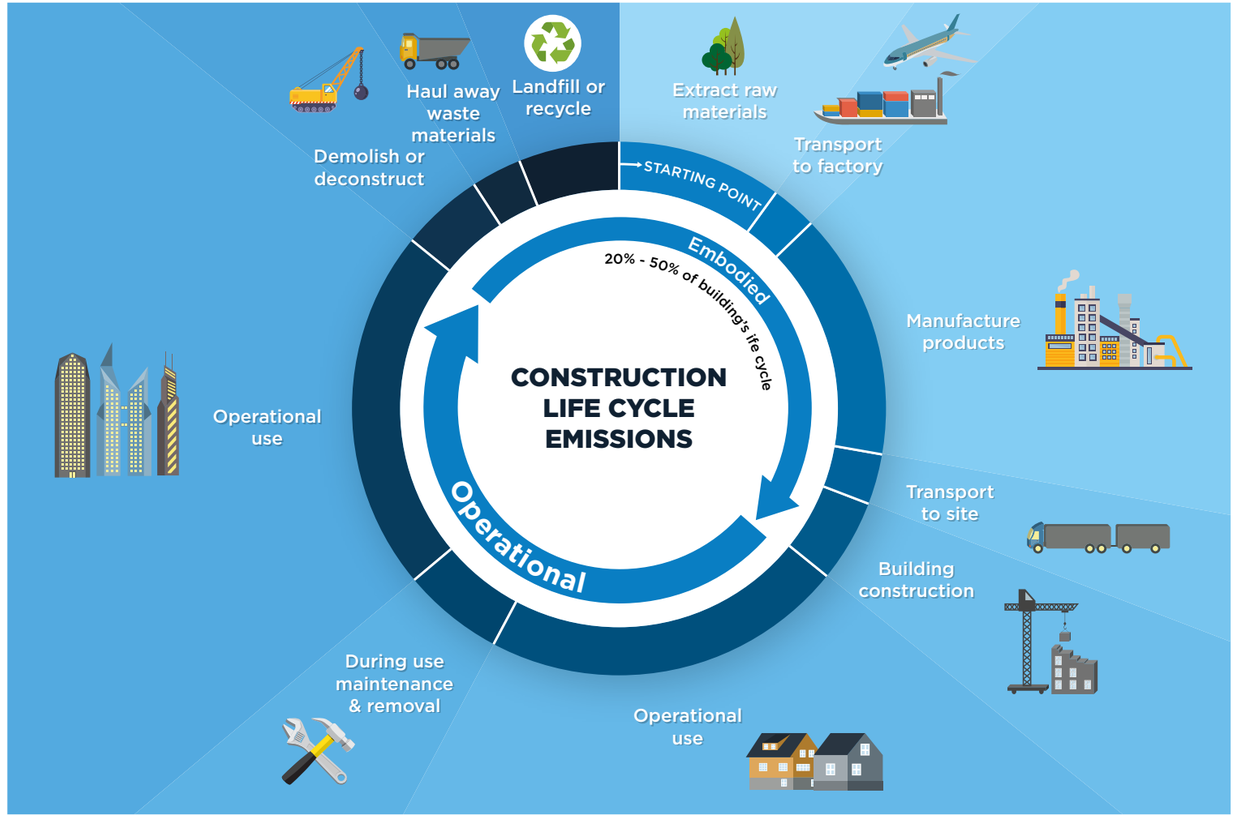
Reducing carbon is not a new concept, certainly not for Henry Brothers, as we have been working to be more environmentally sustainable since as far back as 1998.

NET ZERO DEFINITION

The UK Green Building Council defines 'Operational Emissions' and 'Embodied Carbon Emissions' as:

Operational Emissions: In construction, combining a fabric first approach to minimise energy usage, bolstered with carbon offsetting, is considered the most economical way to achieve the Net Zero Carbon target. Carbon offsetting is the approach that the legislation has generally taken for reducing carbon emissions in construction. When all feasible measures for reducing carbon impacts have been reasonably exhausted, offsets can be used to cover any residual carbon.

Embodied Carbon Emissions: The fabric first approach does not necessarily take into account the construction embodied carbon, which remains an aspirational target within the construction industry at present. To fully understand the impacts of one material or system compared to another, a whole-building life-cycle assessment would need to be undertaken. This process looks at multiple impacts of building materials over their entire life cycle (from factory to landfill/ recycling).




INDUSTRY
Reliance on fossil fuels
Limited green spaces & integrated communities
Heavy oil plant & machinery
Reliance on virgin materials
Heavy excavations
Our Transition
GREENER, CLEANER ENVIRONMENT
Sustainable designs & materials
Efficient
Hybrid/Electric
Renewables
Living green walls
Decentralised renewable generation feeding buildings' electricity
EFFICIENT, SUSTAINABLE DESIGN FOR A MULTISTOREY/MULTI OCCUPANT BUILDING
Solar panels
BMS System feeding directly to building occupants
HENRY BROTHERS
Recycled aggregates over virgin material
Renewenable electric car charge point
Tree planting onsite
Project developed on existing brownfield
Attenuation ponds and SuDS

SUMMARY OF HENRY BROTHERS ENERGY DATA

Our emissions profile is primarily driven by operational fuel use, followed by business travel and purchased electricity.

Fuel consumption across owned transport and site activities remained our largest emissions source in 2025, reflecting the energy demands of plant, equipment and vehicle operations across projects. This is listed under Scope 1 emissions.

Business travel, including both vehicle mileage and flights, represents our second highest emissions category, and is the largest contributor within Scope 3.

Electricity consumption across offices and applicable sites is our third highest emissions source. Scope 2 emissions have reduced significantly compared to our previous strategy period following the transition to a renewable electricity supply at our Belfast Office.

65% **Scope 1 Emissions**
Fuel, gas, company car mileage.

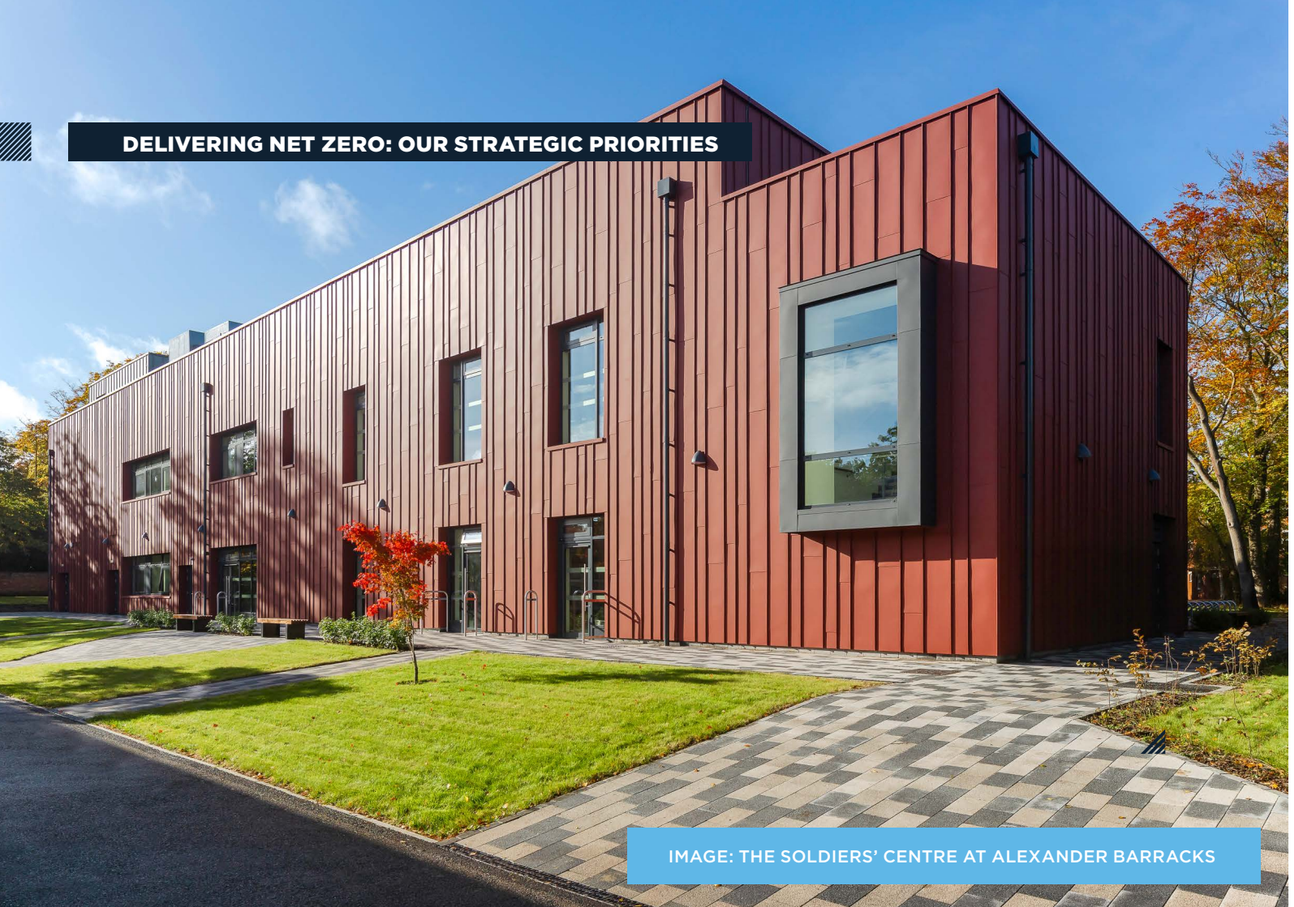
6% **Scope 2 Emissions**
Electricity use.

29% **Scope 3 Emissions**
Grey fleet, air travel, waste transport, hire car/boat, delivery mileage carbon.

*Increase in Scope 3 emissions reflects growth in company turnover and project activity during the reporting period. Reporting methodology and boundary remain consistent.

Data-led insight enables us to focus our decarbonisation efforts where they will have the greatest impact.

IMAGE: QUB AMIC BELFAST



DELIVERING NET ZERO: OUR STRATEGIC PRIORITIES

IMAGE: THE SOLDIERS' CENTRE AT ALEXANDER BARRACKS

01 REDUCING OPERATIONAL IMPACT

The transition to renewable electricity tariffs forms an important part of our Net Zero strategy, supporting ongoing reductions in Scope 2 emissions across our corporate operations. We are continuing to work towards the wider adoption of renewable electricity tariffs across all office locations as part of our longer-term sustainability objectives.

On construction sites, early grid connection reduces reliance on diesel generators. Where generators are required, hybrid battery systems improve efficiency and lower fuel consumption, with run hours, fuel use and CO_2e savings tracked weekly to drive continuous improvement.

Efficient site set-ups, including energy-optimised eco-cabins, are standard, with analysis showing energy reductions of up to 60%. Electrification of plant and equipment is prioritised where feasible, supported by ongoing evaluation of emerging low-carbon technologies.

02 TRANSITIONING FLEET & LOW-CARBON FUELS

We have achieved our 2025 target of transitioning 100% of our company car fleet to hybrid or fully electric vehicles, marking a significant milestone in reducing transport-related emissions.

At head office, Hydrotreated Vegetable Oil (HVO) is now used as a lower-carbon alternative to conventional diesel, contributing to further reductions in Scope 1 emissions.

Looking ahead, we are actively exploring future fuel pathways, including hydrogen-based alternatives and further electrification of plant and fleet, ensuring our transition strategy remains aligned with technological and infrastructure developments.

We continue to engage our supply chain in adopting alternative fuels and lower-emission plant through clear communication of expectations and alignment with our Net Zero objectives.

03 BUILDING CARBON CAPABILITY

Building strong carbon capability across our organisation is essential for sustaining long-term emissions reductions and delivering on our Net Zero Carbon commitments.

We continue to deliver our accredited Carbon Literacy Training across the business and have strengthened this programme by introducing:

- A role-specific follow-on session to help employees understand how Net Zero commitments directly impact their responsibilities.
- A condensed, in-house carbon awareness programme tailored for our supply chain partners to drive broader behavioural change across projects.

By embedding carbon competence at all levels of the organisation and throughout our value chain, we translate strategy into measurable action.

04 RESEARCH AND INNOVATION

The Henry Brothers Research & Development Programme with Queen's University Belfast, now in its eighth year, continues to play a central role in driving innovation across the business.

The programme has evolved into a key accelerator for sustainability insight, enabling us to apply academic expertise to practical industry challenges and stimulate continuous improvement across our operations. Outcomes are shared annually with the wider construction sector to promote knowledge transfer and best practice.

Recent research has focused directly on advancing our Net Zero Carbon Strategy, including topics on offsetting strategies for reducing residual CO_2e, exploring afforestation for carbon sequestration and mapping the supply chain.

05 BIODIVERSITY & RESPONSIBLE OFFSETTING

While emissions elimination remains our priority, we recognise that residual emissions may remain in the long term.

Following detailed research into responsible offsetting methodologies, we implemented an afforestation strategy on company-owned land. To date, 7,000 trees have been planted, contributing to long-term carbon sequestration, biodiversity enhancement and habitat creation.

This initiative supports both climate mitigation and nature recovery objectives, ensuring any offsetting activity remains credible, transparent and evidence based.

Offsetting will be used only once all viable reduction measures have been exhausted.

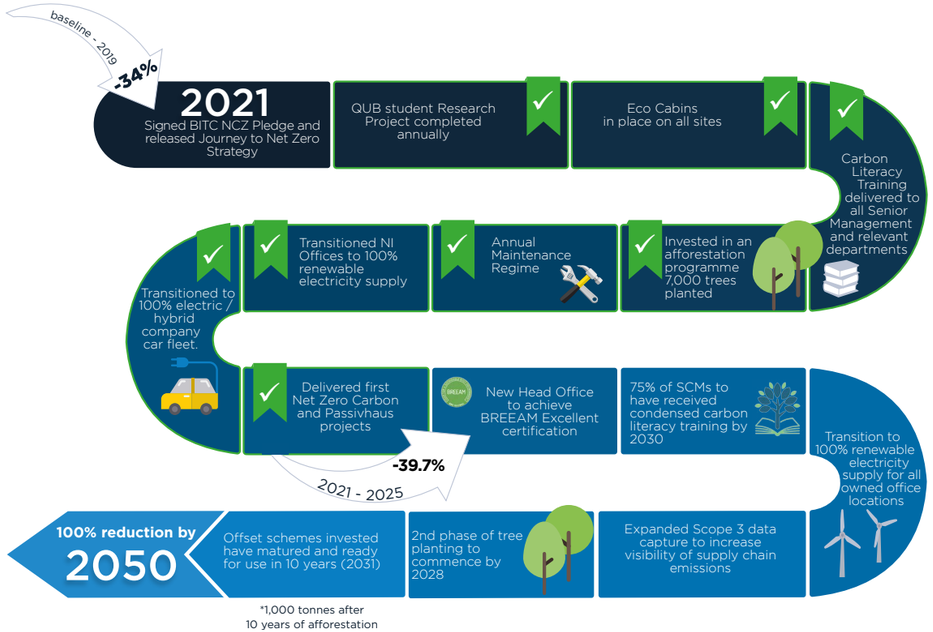
06 TRANSPARENT REPORTING & GOVERNANCE

Robust measurement underpins credible climate action.

We have developed a comprehensive methodology for quantifying and tracking GHG emissions and continue to report annually under Streamlined Energy and Carbon Reporting (SECR) requirements.

Having made strong progress against our long-term emissions reduction objectives, we remain committed to maintaining a minimum annual reduction of 65 tCO_2e to sustain momentum and support continued improvement across our operations.

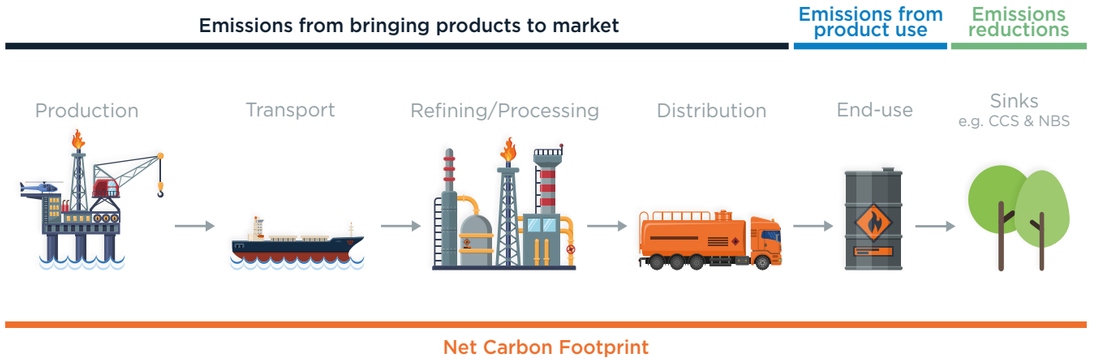
TIMELINE TO NET ZERO CARBON 2050



REDUCING EMBODIED CARBON

Henry Brothers deliver projects to BREEAM and DREAM Excellent. Environmental Assessments such as BREEAM and RICS Whole Life Carbon Assessment deliver buildings with a fabric first approach whilst analysing the embodied carbon of the components and materials used within the building. This enables us to understand the impacts of one material or system compared to another.

The diagram below highlights the carbon emissions that are associated with materials and construction processes throughout the whole lifecycle of built assets. The construction process, including the sourcing of materials and their conversion into products, systems, and buildings as well as transport and site works is a significant source of embodied carbon. Using assessments such as RICS Whole Life Carbon can help to measure and ultimately reduce embodied carbon emissions in the future.



DVA Mallusk

SPORTPARK PAVILION 4 – PASSIVHAUS CLASSIC

As part of our commitment to achieving Net Zero Carbon and delivering buildings that significantly reduce operational emissions, Henry Brothers successfully delivered SportPark Pavilion 4 at Loughborough University - the campus's first Passivhaus Classic-certified development.

The building was designed and constructed around a fabric-first, performance-led approach, using extremely low heating demand, exceptional energy efficiency and long-term resilience to a changing climate.

The project's success confirms Passivhaus as a proven pathway for high-performance, low-carbon, long-lived buildings; an approach that will continue to inform our strategy and future project delivery.

> **A FURTHER STEP IN OUR EXPANDING JOURNEY TO NET ZERO.**

SUSTAINABLE FEATURES INCLUDE:

- **Triple-glazed, openable windows** to maximise thermal performance and comfort
- **Highly airtight, thermally efficient building fabric**, to reduce energy loss and deliver consistent indoor environmental quality
- **External solar shading** to control solar gain and prevent overheating
- **High-efficiency heat recovery ventilation**, providing balance fresh air supply with minimal energy demand
- **Full-roof solar PV installation**, exceeding Passivhaus minimum standards
- **Climate-resilient design features**, including optimised glazing, thermal mass, natural ventilation strategies and future-temperature modelling

IMAGE: SPORTPARK PAVILION 4, LOUGHBOROUGH UNIVERSITY

NET ZERO FRAMEWORK

Henry Brothers NZC Framework	Commitment Area	Target	Reporting Mechanism	Timeframe	STATUS
01 DETERMINE SCOPE	Scope Determination	Include all group operations Scope 1, 2, and 3 emissions (Scope 3 in development).	Streamlined Energy & Carbon Reporting (SECR)	Submitted Annually	**ACHIEVED**
02 MEASURE AND MONITOR	Energy & Emissions Monitoring	Full reporting of site & office energy, water, waste, and transport emissions	SustainIQ platform and Q&E Team reporting to Q&E Manager	2018-2021	**ACHIEVED**
03 STRATEGY FOR REDUCTION 2014-2019	Solar PV Installation	Install solar PV generating estimated 540 tCO_2e savings over 20 years	Installation records and energy generation monitoring	2017	**ACHIEVED**
	Hybrid Fleet Procurement	Achieve 33% company car fleet hybrid/electric	Fleet records & fuel consumption monitoring	2018	**ACHIEVED**
	Energy Audit	Implement energy efficiency recommendations from ESOS audits	Audit reports and internal implementation tracking	2015 - 2019	**ACHIEVED**
	Sustainability MSc Research (QUB Collaboration)	Support MSc research projects focussed on sustainability innovation	Publication of research and internal application of findings	Completed Annually	**ACHIEVED**

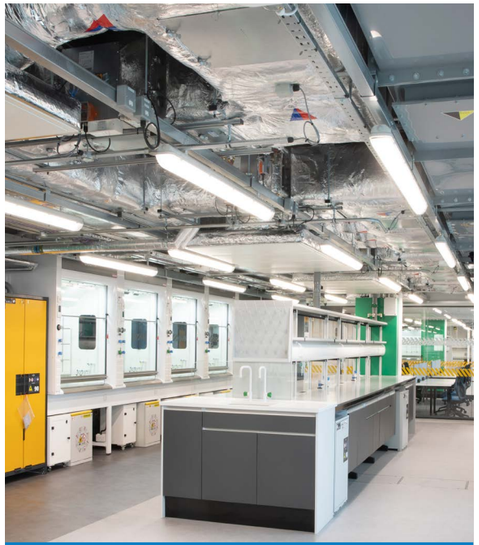
Henry Brothers NZC Framework	Commitment Area	Target	Reporting Mechanism	Timeframe	STATUS
04 2021 - 2030 STRATEGY	Operational Emissions Reduction	Minimum 2% year-on-year reduction in net Scope 1 & 2 GHG emissions to 2030	Annual Streamlined Energy and Carbon Reporting (SECR) Framework	2030	ON TARGET
	Carbon Literacy Training	100% of senior management trained; phased workforce rollout	Training records & annual reporting	Q4 2021	ACHIEVED
	Site Accommodation	100% of site cabins to be Eco Cabins	Procurement records and site audits	Q4 2021	ACHIEVED
	Landholding Planting Scheme	Deliver tree planting programme with projected 1,000 tCO2e sequestration over 10 years	Annual planting and sequestration review	Q4 2021	ACHIEVED
	First Net Zero Carbon Project	Delivery of first verified Net Zero Carbon project at Staffordshire University	RICS Whole Life Carbon Assessment for the Built Environment	Q2 2022	ACHIEVED
	First Passivhaus Project	Delivery of first certified Passivhaus Classic project at Loughborough University	Passivhaus Certificate	Q2 2023	ACHIEVED
	Maintenance Regime Efficiency	Maintenance regime contributing to 1% annual CO_2e efficiency improvement	6-monthly compliance checks	ON GOING	IN PROGRESS
	Biodiversity Net Gain	Minimum 2% biodiversity enhancement per annum	Triennial BITC Business & Biodiversity Charter Audit	Q3 2024	ACHIEVED
	Scope 3 & Supply Chain Readiness	Completion of research project assessing Scope 3 emissions and supply chain decarbonisation readiness	Internal roadmap development	Q3 2025	ACHIEVED
	Company Fleet Transition	100% of company cars hybrid or electric	Fleet records reviewed annually	Q4 2025	ACHIEVED
	Renewable Electricity Supply	Transition Belfast and Magherafelt offices to 100% renewable electricity supply	REGO certification verification	Q4 2025	ACHIEVED
	New Head Office	New Head Office to achieve BREEAM Excellent certification	Design Stage Assessment and Post Construction Certification	Q1 2027	IN PROGRESS
	Hybrid Generators on Sites	Hybrid generators to be used on all sites where temporary power generation is required (subject to operational feasibility)	Tracked via weekly site plant reports	Q4 2027	IN PROGRESS
	Supply Chain Carbon Literacy	Roll out condensed carbon literacy training to key SCMs	Training attendance records	Q4 2027	IN PROGRESS

SUPPLY CHAIN CARBON MATURITY MODEL

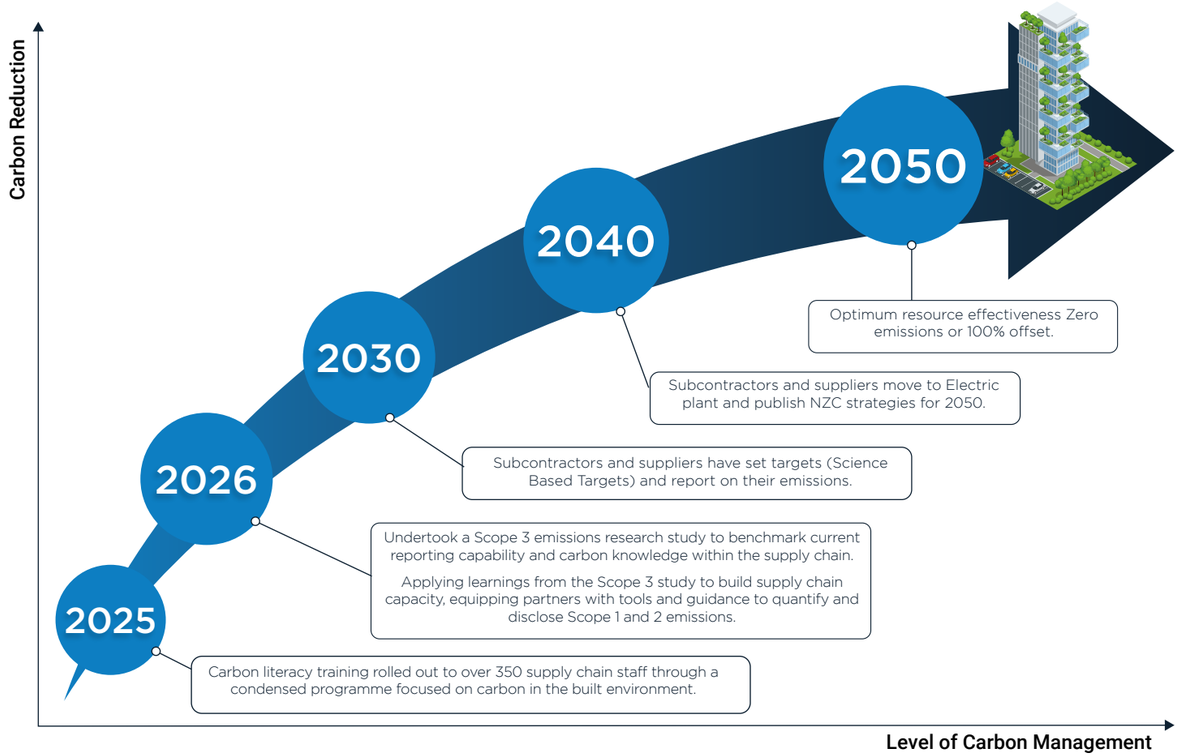
Scope 3 emissions account for the majority of carbon generated across our value chain, making supply chain engagement central to achieving our Net Zero 2050 target. In 2025, Henry Brothers partnered with Queen's University Belfast to undertake our first detailed Scope 3 maturity assessment across our subcontractor base.

The study highlighted that while reporting capability is emerging, particularly for Scope 1 and 2, many subcontractors still face barriers around data availability, technical understanding and access to tools. Encouragingly, many subcontractors are already adopting low-carbon fuels, electric tools, and internal tracking systems, showing momentum toward more sustainable operations.

The research makes clear that targeted support from Henry Brothers, through early project engagement and dedicated sustainability guidance, will be key to accelerating supply chain readiness. Strengthening supplier capability is not only essential for accurate Scope 3 measurement; it also enables collaborative decarbonisation, cost savings and sector-leading project delivery.



UNIVERSITY OF MANCHESTER CHEMISTRY BUILDING



King's Award

In 2024, Henry Brothers was honoured with The King's Award for Enterprise for Sustainable Development; the highest official recognition available to UK businesses demonstrating outstanding leadership and impact in sustainability. As one of only two companies from Northern Ireland to receive the award that year, the achievement reflects the depth of our long-standing commitment to responsible business and the measurable outcomes we continue to deliver across our operations, projects, and communities.

The award acknowledges Henry Brothers' exemplary approach to sustainable development, highlighting the significant benefits generated for the environment, our people, our clients, and the wider construction sector. Judges described Henry Brothers as an "excellent example" of a business that is inspiring others while delivering strong growth, recognising both our internal decarbonisation initiatives and the forward-thinking practices embedded throughout our project delivery.

Receiving the King's Award aligns directly with the intent of our Net Zero Carbon Strategy. It reinforces the maturity of our approach, evidences the progress already achieved, and strengthens our strategic direction as we continue to reduce emissions, innovate in low-carbon construction, and build resilience across our supply chain. As we advance toward our 2050 Net Zero target, this recognition stands as a marker of our leadership and a catalyst for continued progress.

IMAGE: KING'S AWARD CEREMONY AT HILLSBOROUGH CASTLE

NATURE PARK & EDUCATION PROGRAMME

HENRY BROTHERS NATURE PARK

Henry Brothers' 26-acre nature reserve is a cornerstone of our Biodiversity Strategy, focused on educating the next generation of environmentalists. We offer local schools the opportunity to visit the nature reserve and learn outside the classroom. We have developed an in-house Environmental Learning Toolkit, tailored to different age groups and abilities, with learning aids such as nature information boards, mini-beast hotels and bird tables.

Over 5,000 students have visited the nature reserve, engaging in interactive learning about animal life cycles, food chains, and woodland flora and fauna. During the COVID-19 pandemic, we also created an interactive video, which reached 550 students, allowing learning to continue remotely.

The nature park forms a key part of our Platinum BITC Business & Biodiversity Charter recognition, demonstrating our commitment to biodiversity and education. Biodiversity also supports our Net Zero Carbon Strategy, with woodland areas, covering 50,255.97 m^2 contributing to carbon sequestration and offsetting residual emissions.

Looking ahead, we will build on the success of the nature reserve by increasing access and engagement for schools and communities locally and further afield. We aim to continue strengthening our programme of educational visits and wider engagement activities over the coming years. This will help further develop the reserve's role as a long-term platform for biodiversity education, community engagement and inspiring the next generation of environmental leaders.

IMAGE: SCHOOL VISIT TO HENRY BROTHERS NATURE PARK

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