



Cabinet Office

## **CARBON REDUCTION PLAN GUIDANCE**

### **Notes for Completion**

Where an In-Scope Organisation has determined that the measure applies to the procurement, suppliers wishing to bid for that contract are required at the selection stage to submit a Carbon Reduction Plan which details their organisational carbon footprint and confirms their commitment to achieving Net Zero by 2050.

Carbon Reduction Plans are to be completed by the bidding supplier entity and must meet the reporting requirements set out in supporting guidance, and include the supplier's current carbon footprint and its commitment to reducing emissions to achieve Net Zero emissions by 2050.

The Carbon Reduction Plan should be updated regularly (at least annually) and published and clearly signposted on the supplier's UK website. It should be approved by a director (or equivalent senior leadership) within the supplier's organisation to demonstrate a clear commitment to emissions reduction at the highest level. Suppliers may wish to adopt the key objectives of the Carbon Reduction Plan within their strategic plans.

A template for the Carbon Reduction Plan is set out below. Please complete and publish your Carbon Reduction Plan in accordance with the reporting standard published alongside this PPN.

# Carbon Reduction Plan Template

Supplier name: ...Costain Group PLC

Publication date: .....16/08/2022.....

## Commitment to achieving Net Zero

Costain Group PLC is committed to achieving Net Zero emissions by 2035 at the very latest.

## Baseline Emissions Footprint

Baseline emissions are a record of the greenhouse gases that have been produced in the past and were produced prior to the introduction of any strategies to reduce emissions. Baseline emissions are the reference point against which emissions reduction can be measured.

**Baseline Year: 2021**

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

Having met our 50% reduction target in 2020 against a 2010 baseline. In line with Costain's Climate Change Action Plan, we have established an updated baselined (base year 2021) against which we are measuring our net zero targets against.

This 2021 updated baseline includes scope 1, 2 and scope 3 emissions. Scope 3 emissions include materials (concrete, steel, asphalt and aggregate which make up the vast majority (73%) of our overall Group footprint due to the current carbon intensity of these material), grey fleet, business travel, waste and water.

Our emissions data is calculated in line with the GHG Protocol and is third party accredited under CEMARS by Achilles. 100% of our emissions are incurred in the UK.

Great efforts have been made to ensure our whole scope 3 emissions are truly represented within Costain's baseline and working in collaboration with our supply chain, Costain will continue to enhance the data quality of its emissions.

<b>Baseline year emissions: 2021</b>	
<b>EMISSIONS</b>	<b>TOTAL (tCO<sub>2</sub>e)</b>
<b>Scope 1</b>	10,609.92
<b>Scope 2</b>	1,116.22
<b>Scope 3 (Included Sources)</b>	30,995.51
<b>Total Emissions</b>	42,721.66

### **Current Emissions Reporting**

<b>Reporting Year: 2021</b>	
<b>EMISSIONS</b>	<b>TOTAL (tCO<sub>2</sub>e)</b>
<b>Scope 1</b>	10,609.92
<b>Scope 2</b>	1,116.22
<b>Scope 3 (Included Sources)</b>	30,995.51
<b>Total Emissions</b>	42,721.66

The Costain Group PLC's emissions footprint for 2020, our original baseline year was significantly impacted by the COVID-19 pandemic. We therefore re-baselined in 2021 to ensure a more representative baseline against which to measure progress.

Costain's Climate Change Action Plan, launched in 2020, included targets for scope 3 emissions, however it was recognised that Scope 3 supply chain data was not as robust as required to establish a detailed scope 3 baseline. Therefore, a first step in the Action Plan was to work closely with the Group's supply chain during 2021 to refine the scope 3 emissions footprint and enhance the data quality.

Scope 3 emissions represent Costain's greatest proportion of emissions and therefore having greater granularity and data accuracy ensures the Group has a true picture of all direct and indirect emissions generated. This also reinforced the Groups need to re-baseline in 2021. This re-baselining was independently and externally verified through Achilles' Carbon Reduce Scheme and Costain were commended on their efforts to ensure the

robustness of their footprint. The challenge of data quality for scope 3 emissions is an industry wide recognised challenge. Costain’s efforts and re-baselining are a testament to the Group’s ambition to take proactive steps to overcome this challenge in the most robust manner and at the greatest pace possible.

## Emissions reduction targets

In 2020, we launched our [Climate Change Action Plan](#) which includes the following carbon reduction targets:

- 2035: Costain Group PLC will be Net-zero, at the very latest
- 2030: 50% reduction in emissions from plant and machinery; net-zero company car fleet
- 2027: 75% Ultra Low Emission company car fleet
- 2023: All solutions (consultancy, design, and delivery) proposed with a low carbon option
- 2022: Net zero corporate emissions from permanent offices
- 2021: Carbon reduction target & PAS2080 principles required for every contract

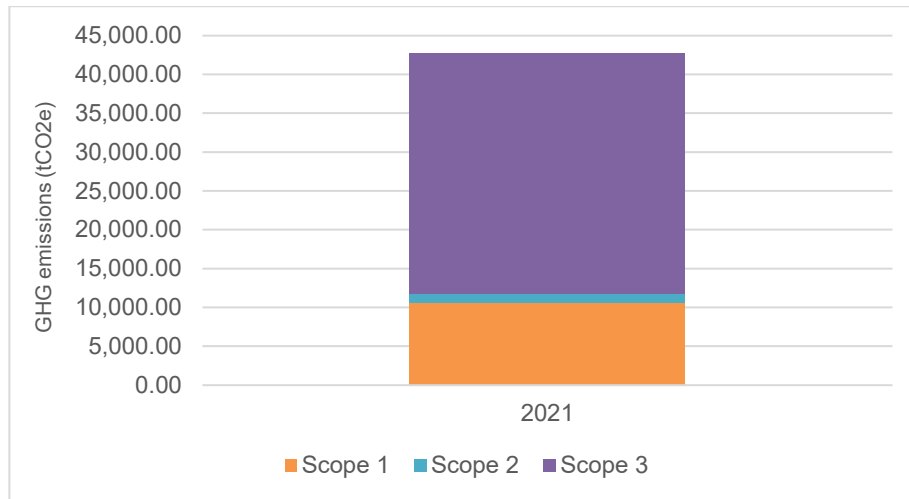
The plan also outlines how Costain will play a leading role in the development and delivery of both carbon capture and clean and renewable energy generation to reduce carbon footprints across every sector. An extract from the Plan is shown below in figure1.



Figure 1. Costain Group PLC Climate Change Action Plan targets.

The breakdown of our Group footprint per scope can be seen in the figure below. Progress against the targets mentioned above will be shown in next year's report once where we will have base year data and 2022 data.

Figure 2. Breakdown of Group footprint per scope



# Carbon Reduction Projects

## Completed Carbon Reduction Initiatives

Since the launch of our Climate Change Action Plan, significant strides have been made and milestones achieved in our ambition to lead UK infrastructure to a zero-carbon future. We published our latest progress in our [ESG report](#).

Carbon reduction initiatives delivered to date include:

- Costain became a signatory of The Climate Pledge and became an [official partner of the COP26 campaign: Race to Zero](#). The Climate Pledge is the only initiative with the ambition to beat the 2050 target by achieving net zero by 2040 at the very latest, the Climate Pledge is also driving tangible action on all three greenhouse gas emission scopes, a key differentiator in [Costain's Climate Change Action Plan](#).
- More than 1,143 individuals have completed our Leading Carbon at Costain training programme sessions providing insight into climate change, industry impact and the growing pressure and opportunities to drive net zero and help decarbonise the UK. A further 2,950 have completed online carbon learning modules.
- In 2020 Costain was awarded PAS2080 (carbon management in infrastructure) Group certification, and 100% of our relevant contracts have achieved Resource Efficiency Matrix Gold standard, Costain's aligned assurance system designed to help eliminate whole life emissions across infrastructure.

Since its launch in 2018 the matrix has identified and recognised over £51m in operation and capital cost savings and over 1.9 million tonnes of embodied and operational emission carbon emissions equivalent (tCO<sub>2</sub>e).

- Costain's Vehicle Fleet Transition Plan is designed to take our company car and car allowance fleets to fully electric or hydrogen powered by 2030. Launched in 2020 as part of our 15-year Action Plan, our vehicle transition programme is just one of several milestones we achieved in the first year.

In 2021, 82% of the cars delivered to our staff have been ultralow or low emissions vehicles (ULEVs and LEVs).

- 60% of our company car fleet is now low emission
  - 98% of the vehicles of our company car selection list are ULEVs and LEVs.
- In 2021 we met achieved our target of every complex construction contract establishing a plant idling baseline and reduction of 20% against their contract baseline. We are putting that data to good use in helping drive carbon conscious behaviour change. In 2022 we renewed an additional 20% plant idling reduction target for every complex construction contract.
- In 2022 we introduced a target for every complex construction contract to establish a carbon baseline which is representative of scope 1, 2 and 3 emissions. This target was 100% met mid-2022 and we are working hard to use this data insight to target and ensure tangible reductions are achieved.
- Costain is committed to deliver low carbon whole life solutions, including tackling 'Scope 3' emissions, to every client by 2023 and to be net zero by 2035. Our PAS2080 certification, updated Resource Efficiency Matrix and 2022 carbon baseline target are the first steps in meeting our 2023 target.

- We have partnered with Mer as our charging point provider and now have a common EV (Electric Vehicle) charging platform across our business.
- We recently installed 12 new charging points in our Maidenhead head office and will be installing more at other sites. Costain charge points can be used with a non-subscription, pay-on-use service and we are offering employees discounted rates for the installation of home wall chargers.

To find out more about the plan and additional resources please check out our [Climate Change Action Plan Hub](#).

Costain is decarbonising transportation through electric roads and hydrogen buses, which help to improve social value and stimulate the circular economy by bringing jobs to communities, developing local supply chains, and providing low carbon transport links.

We are leading a consortium that will take another important step towards understanding how industry could work together to tackle one of the largest carbon emission producers in the country.

Through Innovate UK, the Department for Transport has commissioned Costain to lead and assess the economic and technical potential of the [UK's first electric motorway](#). The study is part of the UK government's plan to reach zero net emissions for heavy road freight and create a cleaner, greener, and more efficient road freight network across the UK.

We are supporting our strategic plant supply chain to provide the latest electric, hydrogen and hybrid machinery and we are working with them and major manufacturers to accelerate the development and industry wide roll out of sustainable plant.

#### **In the future we will implement further measures such as:**

- Setting a science-based target for GHG emissions by
- Setting a science-based target for nature
- From January 2023 all complex construction contracts will include low carbon options

#### **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>.

---

<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>

This Carbon Reduction Plan has been reviewed and signed off by the board of directors (or equivalent management body).

Signed on behalf of the Supplier:

A handwritten signature in black ink, appearing to read 'Alex Vaughan', with a stylized flourish at the end.

Alex Vaughan

Costain Group PLC CEO

Date: ...17/08/2022.....