



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:16/02/2022.....

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: 2010
Additional Details relating to the Baseline Emissions calculations.
<p>In 2020, we began reporting both Renewable Energy Guarantees Origin (REGO) and non-REGO consumption in our Scope 2 emissions. We have restated our 2019 total and Scope 2 emissions to include REGO and non-REGO consumption, allowing direct comparison to 2020 emissions.</p> <p>The scope 3 2010 baseline includes business travel; waste; and water and waste water. We are currently in the process of re-baselining to set a new baseline of 2020 which will include emissions from concrete, steel and aggregate (the vast majority of our materials).</p> <p>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.</p> <p>Scope 3 emissions reported below include emissions from Costain's grey fleet, use of public transport, and waste production. Additional scope 3 emissions from Costain's material footprint, specifically emissions from concrete, steel and aggregate, will be added to the below tables in Quarter 1 of 2022.</p>

Baseline year emissions: 2010	
EMISSIONS	TOTAL (tCO₂e)
Scope 1	17,282.00
Scope 2	5,237.55
Scope 3 (Included Sources)	6,494.76
Total Emissions	29,014.31

Current Emissions Reporting

Reporting Year: 2020	
EMISSIONS	TOTAL (tCO₂e)
Scope 1	12,404.91
Scope 2	1,122.85
Scope 3 (Included Sources)	1,089.19
Total Emissions	14,616.95

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.

Progress against these targets can be seen in the graph below:

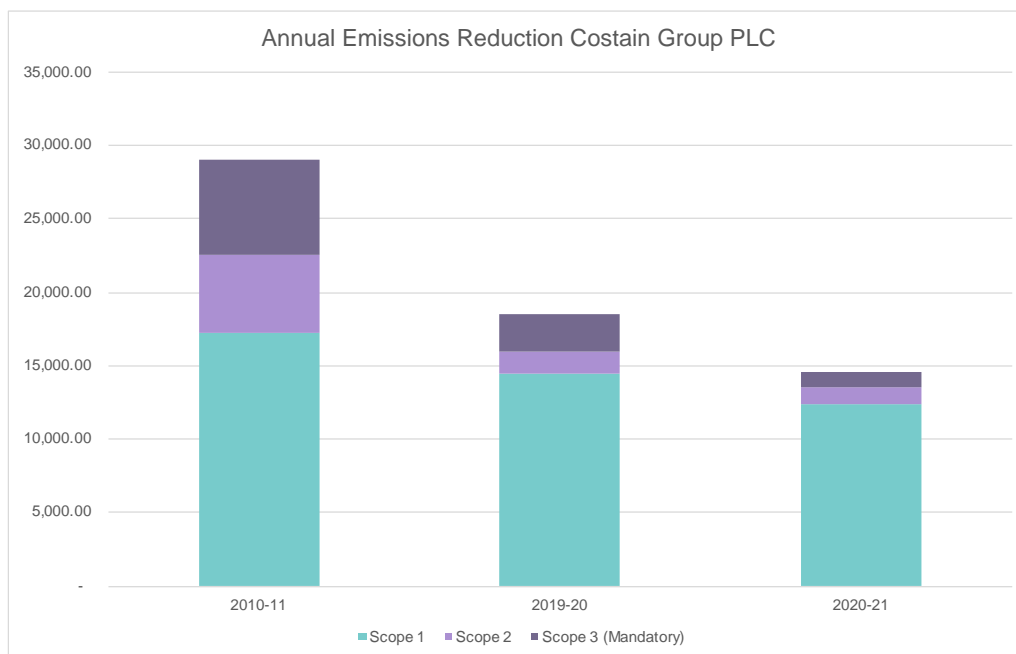


Figure 2. Progress against carbon reduction targets

Carbon Reduction Projects

Completed Carbon Reduction Initiatives

The following environmental management measures and projects have been completed or implemented since the 2010 baseline. The carbon emission reduction achieved by these schemes equate to **14,397.4 tCO₂e**, a **40.6%** reduction against the 2010 baseline and the measures will be in effect when performing the contract.

In 2020, we launched our Climate Change Action Plan. Our plan addresses the whole life carbon cycle footprint, addressing and eliminating our Scope 1, 2 and 3 emissions with a key focus on materials; specifically concrete, steel and aggregates.

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 half year progress on the corporate [website](#).

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 280 people completed our Leading Carbon at Costain training programme providing insight into climate change, industry impact and the growing pressure and opportunities to drive net zero and help decarbonise the UK. A further 1,400 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 (tCO₂e).

- 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).

46% of our company car fleet is now low emission

91% of the vehicles of our company car selection list are ULEVs and LEVs.

- We reached our target of every complex construction contract establishing an 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.
- 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 and updated Resource Efficiency Matrix are the first steps in meeting our 2023 target.

- We have partnered with Elmtronics as our charging point provider and now have a common EV (Electric Vehicle) charging platform 'Hubsta' 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
- Setting a science-based target for nature
- From January 2022 all new design & delivery contracts will be required to establish and submit a carbon baseline; produce a carbon reduction plan with defined reduction target (informed by baseline) and report carbon reduction monthly.

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 standard¹ and uses the appropriate Government emission conversion factors for greenhouse gas company reporting².

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

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

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

accordance with the published reporting standard for Carbon Reduction Plans and the Corporate Value Chain (Scope 3) Standard³.

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:

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