



COSTAIN



Decarbonisation Plan

Creating a sustainable future

Together we
shape, create, deliver

March 2026

Our business

Creating a sustainable future

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Costain has been improving people’s lives for more than 160 years by creating connected, sustainable infrastructure that enables people and the planet to thrive. We deliver engineering solutions via long-term strategic partnerships with customers across their asset lifecycle in our chosen markets of transport, water, energy and defence. Costain are creating a sustainable future by securing a more prosperous, resilient and decarbonised UK.

Being a responsible business, a trusted employer and community partner, and safeguarding our planet’s future are fundamental principles that guide Costain. They shape how we deliver on our purpose to improve people’s lives and our vision to create a sustainable future. This approach is underpinned by our core values: integrity, customer focus, safety and wellbeing, and environmental and social responsibility.

“ Our ambition is to decarbonise Costain, achieving net zero for all our emissions and drive the decarbonisation and climate resilience of UK infrastructure, while positively contributing to nature’s recovery. ”

Alex Vaughan
Chief executive officer



Creating a sustainable future through low-carbon and nature positive infrastructure

Our Decarbonisation, Nature and Climate Resilience plans are core elements of Costain's Sustainability Programme. Together, these interconnected strategies guide how we work with our customers to accelerate the shift not only to net zero, but towards a regenerative, nature-positive and climate-adaptive economy that delivers long-term value for people, nature, and society.

By focusing on key areas including decarbonisation, resource efficiency, nature recovery and climate resilience, we can enable a cohesive and integrated approach to tackling these complex, interrelated challenges and help create a sustainable future.

Our plans explained



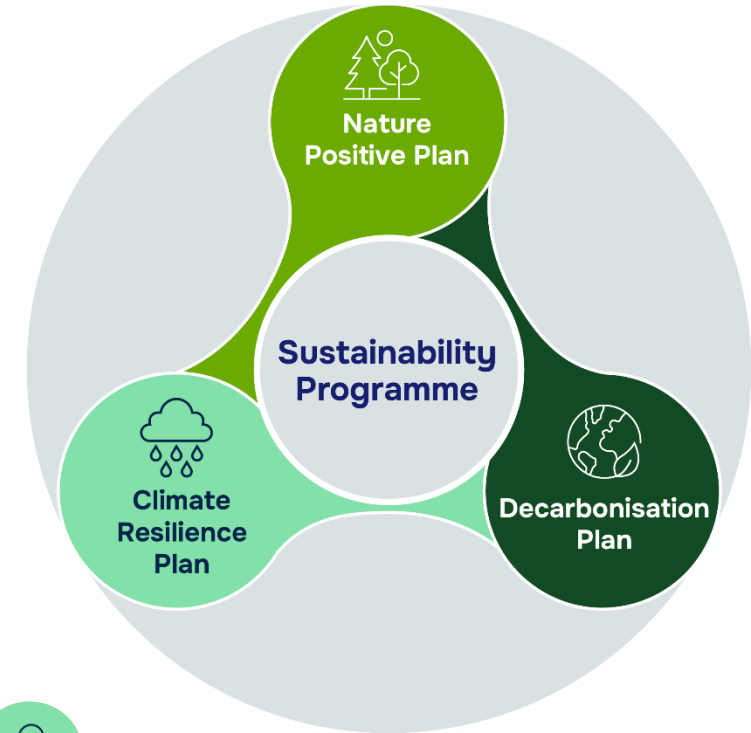
The **Decarbonisation Plan** defines our route to net zero by embedding low-carbon, circular and resource-efficient approaches into design, production thinking, procurement and decision-making, enabling sustainable low carbon solutions for clients.



The **Nature Positive Plan** sets out how our nature-positive commitments will be delivered through collaboration with customers to minimise harm and enhance biodiversity. Our approach will evolve to reflect our growing understanding of nature and indirect supply chain impacts.



The **Climate Resilience Plan** details how we manage the risks and opportunities of climate change across our business, embedding mitigation and adaptation into design, commercial, procurement and delivery solutions to ensure long-term resilience.



Our responsibility, our opportunity

Decarbonisation is fundamental to Costain's purpose of improving people's lives and central to our mission to creating infrastructure for a more prosperous, resilient and decarbonised future. As a trusted delivery partner across the UK's most critical infrastructure sectors transport, energy, water, and defence we recognise that reducing carbon is not optional. It is a business-critical imperative.

Climate change is already impacting the infrastructure people rely on every day.

Decarbonising the UK's infrastructure system is essential to stabilising the climate, strengthening economic and environmental resilience, and enabling communities, nature and the economy to thrive. Our Decarbonisation Plan sets out how we will lead this transition, working collaboratively across our value chain and raising performance in line with increasing customer, government and societal expectations.

Achieving net zero for Costain means:

1. Decoupling growth from carbon

We will continue to grow our business while reducing absolute emissions. By embedding carbon reduction into decision-making, we are future-proofing our business, managing climate risk, meeting stakeholder expectations and aligning Costain with a resilient, low-carbon economy.

2. Designing for a sustainable future

We will optimise assets at the earliest stages of design, integrating whole-life carbon, climate resilience and nature-positive outcomes. By adopting low-carbon processes, materials and construction methods from the outset, we enable better, more sustainable project outcomes.

3. Collaborating for a system wide resilient, low-carbon future

Decarbonisation cannot be delivered in isolation. We will work closely with customers, partners and our supply chain to build resilient, adaptive delivery models, encouraging innovation, sharing knowledge and scaling solutions that maximise low-carbon impact.

4. Driving efficiency across the asset lifecycle

We will embed carbon reduction at every stage of the infrastructure lifecycle – from design, construction, and operation through to end of life. This approach reduces long-term costs, enhances asset performance and delivers enduring value for our customers and communities.

5. Using our capability to drive change

We are investing in our people, processes, data, and technology to accelerate the transition to net zero. By harnessing our carbon management systems, digital tools and emerging materials, we are enabling informed decisions that deliver measurable carbon reduction at pace.

While we have made strong progress in reducing our own emissions, we know there is more to do. This Decarbonisation Plan reflects where we are today and how we will continue to lead, collaborate and innovate to deliver resilient and decarbonised infrastructure solutions that support the UK's transition to net zero and safeguards our planet's future.

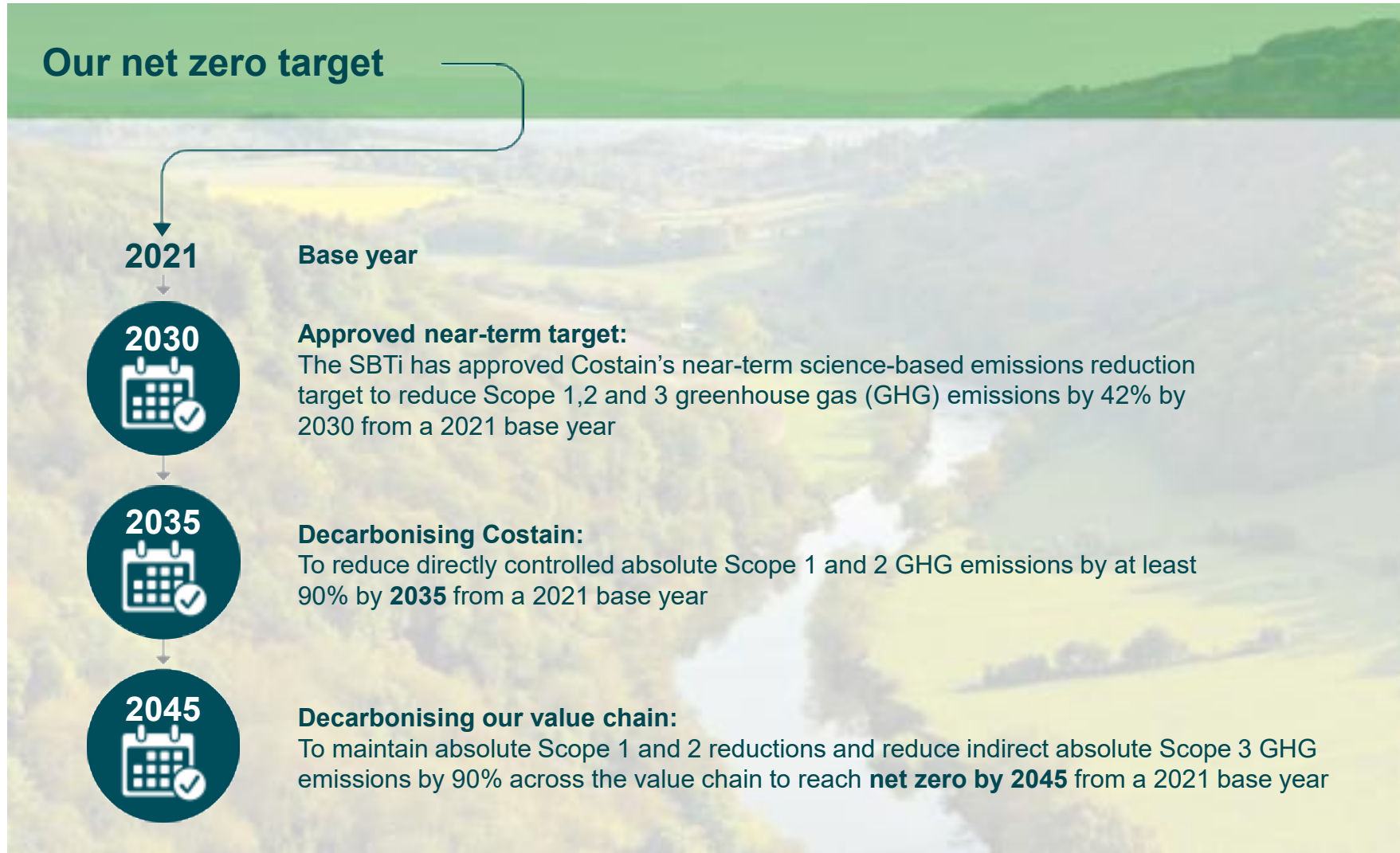


Our net zero target

We commit to achieving net zero across our Scope 1, 2 and 3 emissions by 2045



**The SBTi is an important, globally-recognised measure for standardising and setting ambitious emissions reduction targets in line with the latest climate science. It's a key requirement for our customers across all our sectors. The above near-term SBTi approved target wording is an abbreviation of the official validated target wording. Our SBTi approved long term net zero target will be updated to 2045 to align to our updated internal goal.*



Emission hotspots

On average, 95% of our emissions arise from activities within our supply chain, making Scope 3 indirect emissions the dominant contributor to our overall footprint. Within Scope 3, purchased goods and services account for an average of 94% of total emissions, reflecting the emissions associated with the manufacture and delivery of the products we buy.

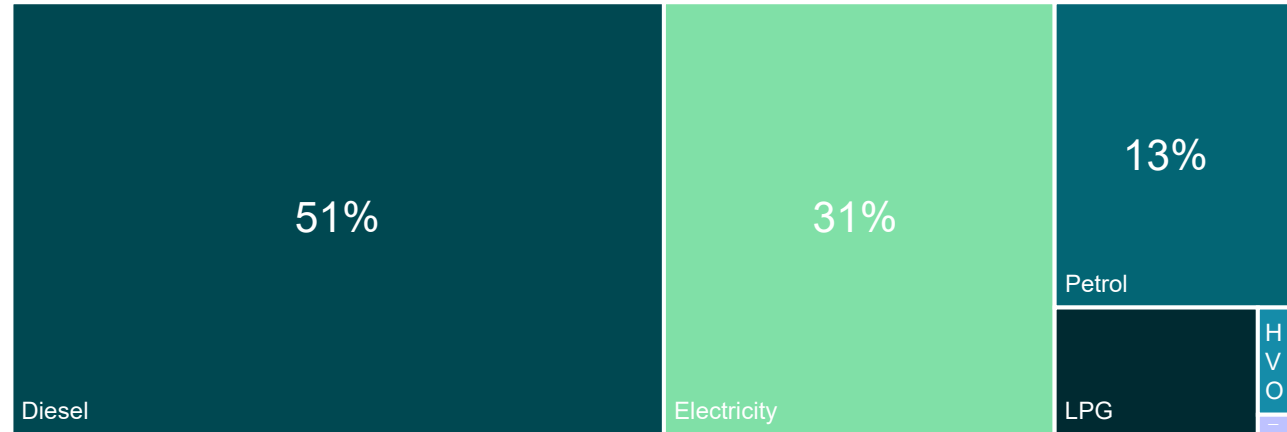
As a result of our transition to an electric company car fleet, increased use of biofuels, and renewable energy procurement, our Scope 1 and 2 emissions are significantly lower. However, they still present important opportunities for further operational efficiency improvements.

This plan addresses all sources of emissions, with a particular emphasis on how design decisions and supply chain engagement can influence emissions associated with the materials we procure and how we build.

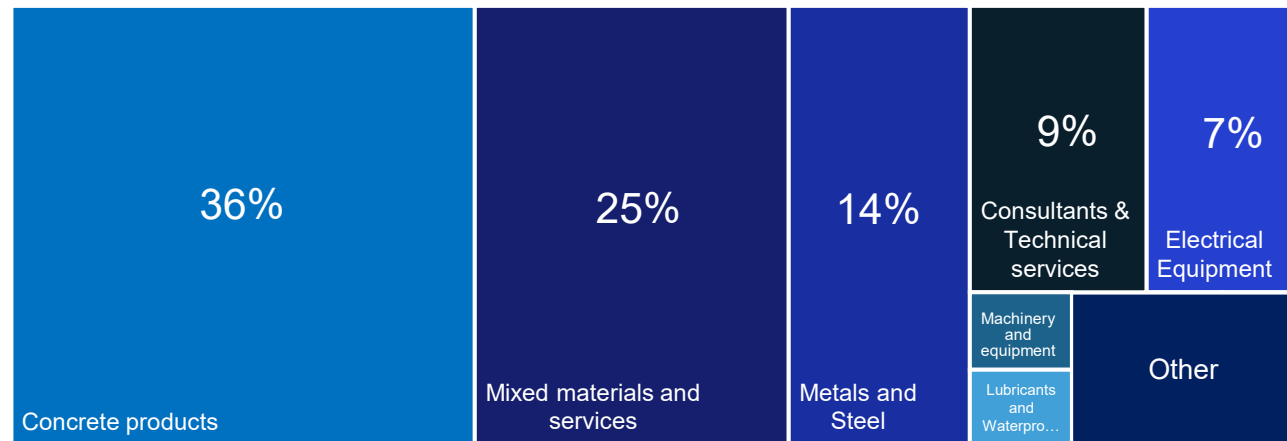


■ Scope 1 ■ Scope 2 ■ Scope 3

Direct emissions (Scope 1 and 2): Our fuel and energy use



Indirect emissions (Scope 3): Our supply chain and materials impacts



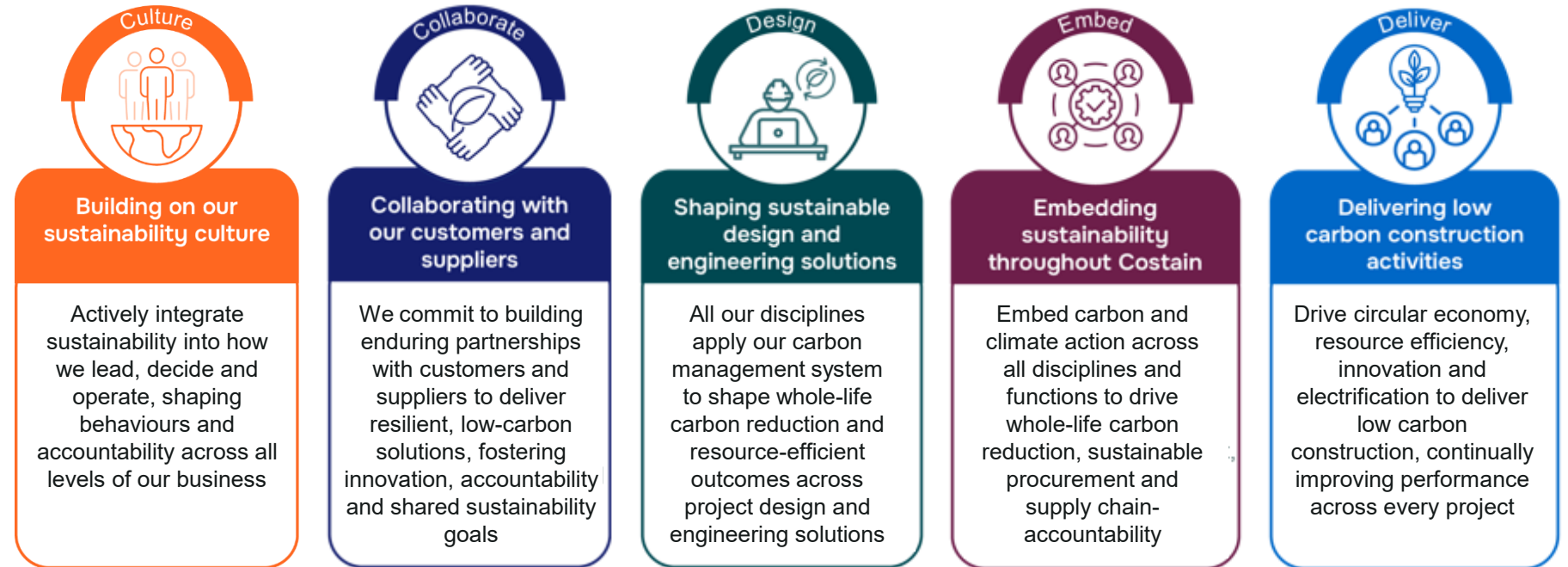
For a more detailed breakdown of our emissions please see our [Sustainability Databook](#)

How we will deliver decarbonisation

Our five foundations

We have identified a series of actions that build towards our headline targets, these are guided by our five foundations, forming the framework through which we drive action across our operations.

Achieving our net zero ambition requires a clear plan that is accessible to all and defines individual responsibilities. Our five sustainability foundations underpin how we design, deliver and optimise sustainable low carbon outcomes.



Driving our priority pathways of PAS 2080 application, low carbon materials and decarbonising energy



Our key actions

Key steps in enabling our Decarbonisation Plan

Foundation outcomes



Empower our workforce



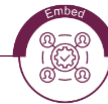
Decarbonising delivery through collaboration



Transitioning to low-carbon materials and resources



Procure for low-carbon solutions



Integrating our PAS2080 ethos



100% ultra low emission fleet vehicles



Fossil fuel free sites

Key outputs

All senior leaders to complete sustainability engagement training

All colleagues to complete updated sustainability training by 2028

Sustainability pathways launched and embedded into Career Pathway assessments

Support a cross-industry community to share best practice and innovation

Drive our production thinking processes into all contracts

Deliver carbon management engagement and training to 70% of Tier 1 suppliers and delivery partners by 2030

Material pathways in place for all material hotspots by 2027

Standardised low-carbon design manuals integrated within each sector

All concrete placed to be rated 'C' or better by 2030 and 'A' by 2045

All long steel and rebar to be 'D' rated or better by 2030 and 'A' by 2045

Procure using a performance-based standards approach to value and incentivise carbon reduction

All suppliers within a high-risk category and annual spend of more than £5m to have a verified science-based target by 2028

Climate change requirements integrated into all professional services contracts

100% compliance with our key carbon management system deliverables

Integrate our carbon reduction methodology during design and delivery

Carbon assessment taxonomy databank created for all sectors

Integration of internal carbon price mechanism

100% electric or plug in hybrid company cars by 2027

100% electric or plug in hybrid LGVs and HGVs by 2030

100% electric or plug in hybrid car allowance vehicles by 2030

EV chargers on all sites, where practicable, with off-site charging solutions reviewed as needed

Introduce Decarbonising Construction Activities Standard, achieving 100% 'Near Net Zero' by 2035

Achieve 100% fuel and energy monitoring and deliver fuel-efficiency improvements by 2028

Battery storage and battery electric power and plant on all sites by 2035



Our priority pathways

We are focused on delivering decarbonisation pathways

Our plan focuses on priority pathways which reflect our emission hotspots, the specific challenges of our industry, and the focus of our customers.

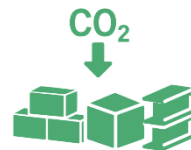
The priority pathways help shape our key actions and guide our decarbonisation efforts over the next 5 years. As implementation progresses our pathways will continue to evolve in line with our delivery milestones.

We will harness our engineering-led approach, combining value engineering and production thinking to accelerate decarbonisation across our projects focused on these priorities:



Rigorously applying our carbon management system

We will continue to apply and embed our PAS 2080:23 carbon management system across all functions, integrating carbon management into decision making and embedding carbon requirements into our contracts, leadership and procurement to drive accountability and measurable action.



Driving the uptake of low carbon materials

We will work with our customers, project teams and design partners to optimise low-carbon design solutions. We will launch and implement a material transition strategy focused on our most carbon intensive materials. Initial focus will be on concrete and steel, embedding low carbon specifications into design and delivery.



Decarbonising energy

We will phase out diesel on projects by 2029, integrate an ultra-low emission vehicle fleet by 2030 and deliver fossil fuel free sites by 2035 through use of electrification, renewables, and energy-efficient construction activities.

These priority areas are aligned to the Construction Leadership Council's Five Client Carbon Commitments and have informed our sustainability foundations and actions.



Call to action

How you can help deliver our Decarbonisation Plan

Our partnerships and memberships



Reducing our emissions is not just a strategic priority, it is a shared responsibility that shapes Costain’s impact and our ability to deliver sustainable infrastructure for our customers. Everyone has a role to play, from planning and design through to procurement, commercial and operations, by making informed, low-carbon choices in everyday decision making.

By embedding sustainability into bids, contracts and project delivery, challenging design briefs, optimising material and energy use, and selecting low-carbon technologies, we can influence emissions across the full infrastructure lifecycle. Supported by the right tools, knowledge and collaboration with our customers, partners and suppliers, we are building a culture of decarbonisation that reduces carbon and cost while setting a new standard for sustainable delivery.

“Our daily choices matter. This is about making sustainable choices at the right time and in the right way to reduce carbon and costs.”

Alex Vaughan, Chief Executive Officer

Role	We need you to...
Leadership	Challenge our projects to integrate decarbonisation and resource efficiency into decision making and ensure consistent application of our carbon management system
Work winning	Integrate decarbonisation requirements at tender stage to set expectations from the outset
Estimating	Provide key data points to enable cost and carbon assessments
Design and engineering	Prioritise, develop and incorporate low carbon solutions through the design process
Commercial	Contract for low carbon outcomes and facilitate sustainable procurement, contract management and operations
Procurement and supply chain management	Assess and manage carbon intensive packages to optimise opportunities. Engage, facilitate and collaborate to create a low-carbon supply chain.
Project delivery	Actively deploy our in-house and subcontractor capabilities to deliver low carbon outcomes. Work with customers to select solutions on whole life value to reduce energy, costs and carbon.
SHE and Central disciplines	Support project teams to drive decarbonisation during all stages of our contracts
Digital	Standardise and digitalise sustainability systems, enabling everyone to make data led sustainable choices
Customers	Set clear carbon management deliverables within our contracts
Suppliers	Challenge and collaborate with us, bringing your expertise and insight to a solution
Designers	Proactively work to the carbon management system (PAS 2080) and design for low whole-life carbon.





Appendices

We are in the process of creating and releasing our energy, concrete and steel transition pathways. A summary of our energy and concrete pathways and detailed actions are outlined in the following appendices.

Appendix 1. Delivering on CLC Priorities: Our Transition Pathways

Appendix 2. Concrete transition pathway

Appendix 3. Energy transition pathway

Appendix 4. Detailed Actions 2026-2030

Appendix 1: Delivering on CLC Priorities: Our Transition Pathways

Our pathways and alignment to industry initiative

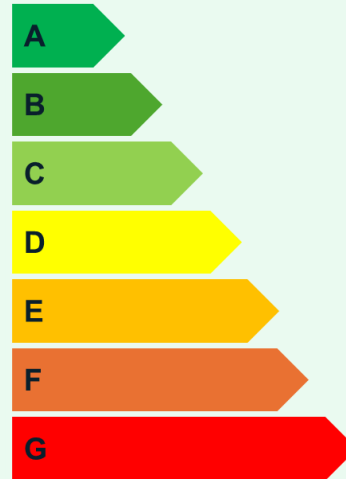
To meet the expectations of our customers who have signed up to the Construction Leadership Council’s Five Client Carbon Commitments we’re focusing on the areas where we can drive the greatest impact. Using this approach enables us to support all our customers to succeed.

Our Energy and Concrete Transition Pathways set out clear, actionable steps to decarbonise two of our most carbon-intensive areas. These pathways support our commitment to achieve fossil fuel free sites and net zero concrete, and are already being embedded into design, procurement, and delivery.

A third pathway focused on low-carbon steel is in development and will be released in 2026. This will complete our first iteration of our material transition strategy.

Together, these pathways underpin our delivery of:

- Contracting for low-carbon outcomes
- Embedding PAS2080 across all functions
- Decarbonising energy use
- Transitioning to low-carbon concrete and steel



	Contracts for low carbon	PAS2080 carbon management	Low carbon concrete	Low carbon steel	Decarbonised operational sites
A	2026	2026	2045	2045	2035
B		2024	2040		2030
C			2030		2029
D			2028	2030	2027
E			2025		2025
F				2025	
G					

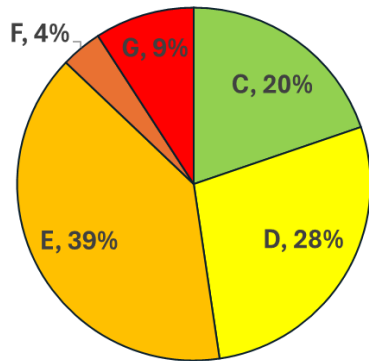
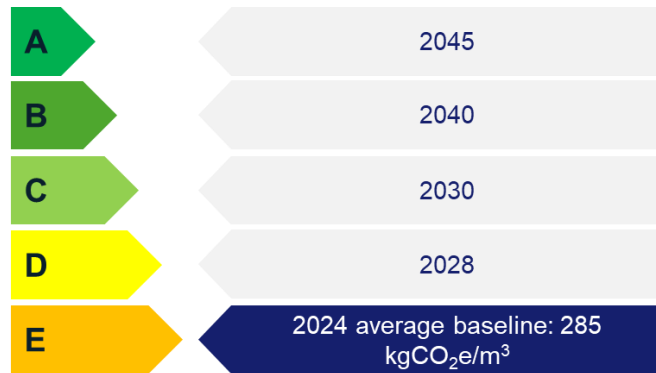
CLC- Five client commitments



Appendix 2: Concrete Transition Pathway

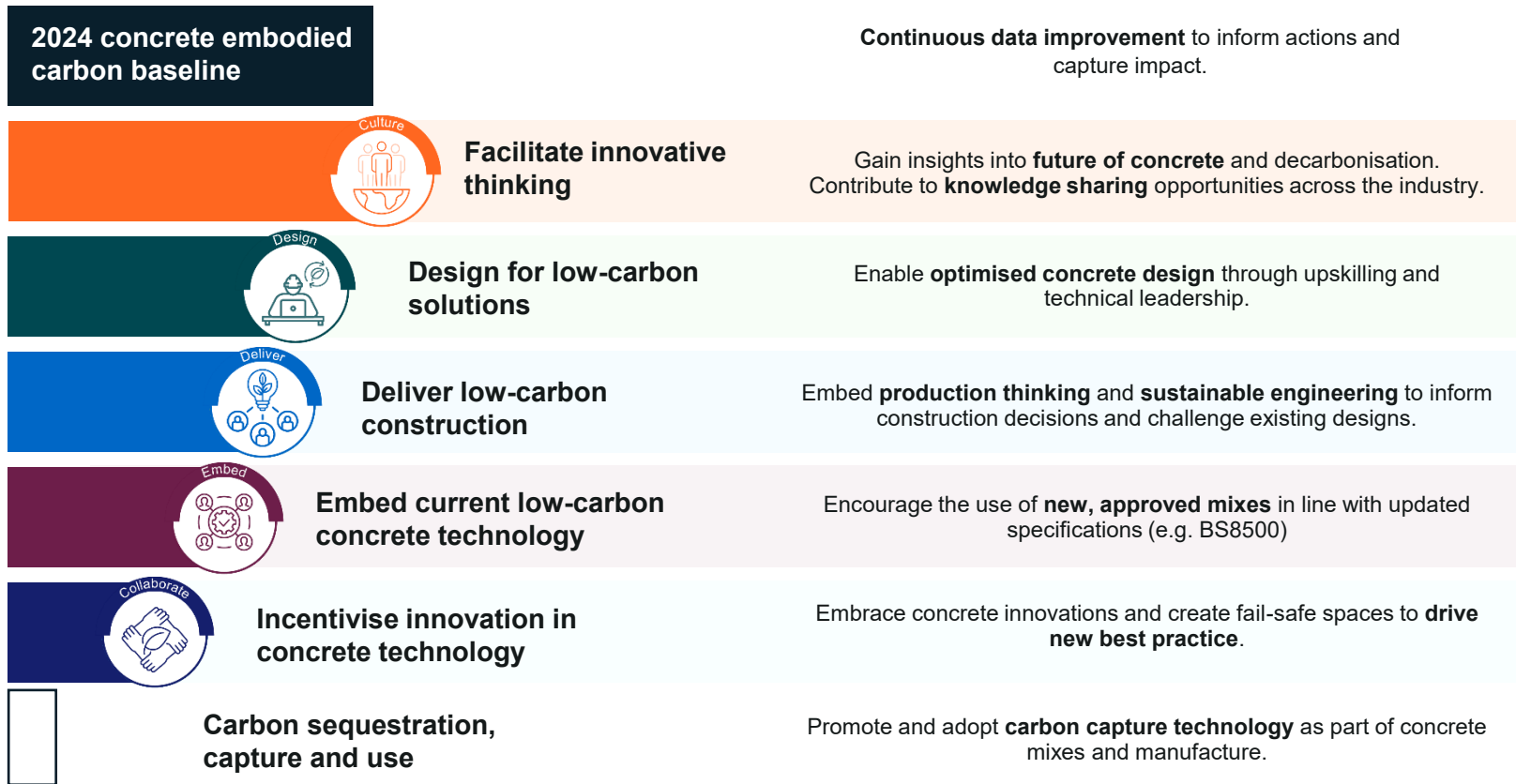
Action plan to achieve zero concrete by 2045

Current performance and targets to achieve net zero concrete



2024 concrete embodied carbon classification by volume:

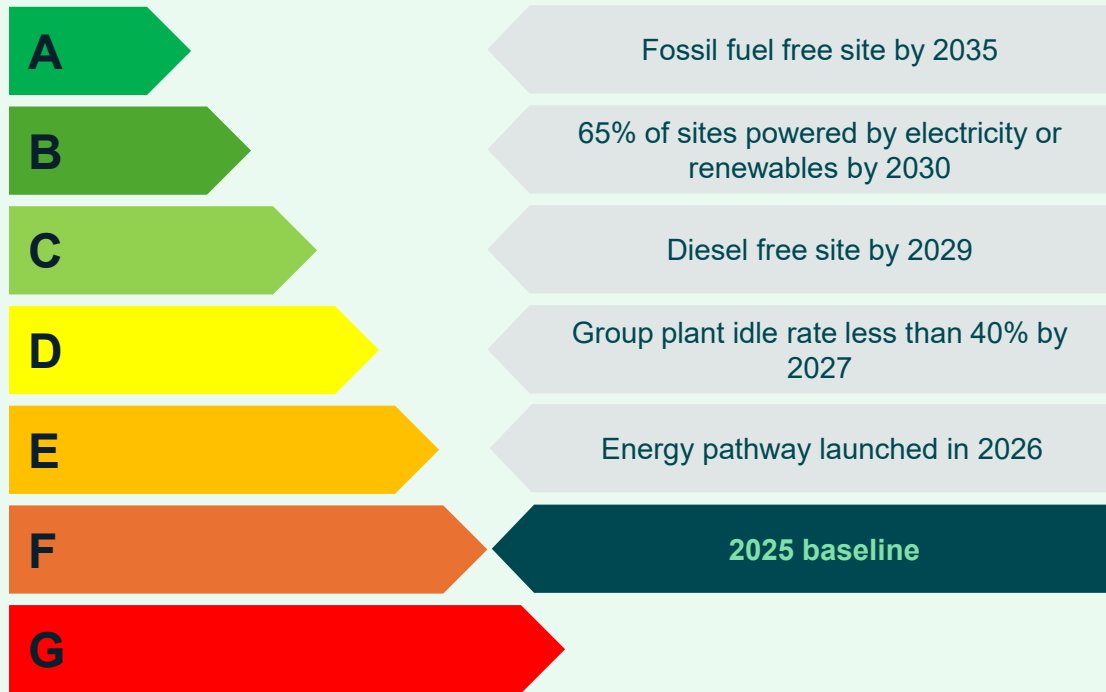
Pathway to decarbonising concrete from our 2024 A1-A3 embodied carbon baseline



Appendix 3: Energy Transition Pathway

Action plan to achieve zero emission fossil fuel free sites by 2035

Our energy transition targets are aligned to the Construction Leadership Council’s Five Client Commitments



Use of low emission plant, power and accommodation technology will be enabled by:



Facilitate energy efficient behaviours

Provide eco-driver training to operators to reduce emissions through efficient driving practices and ensure regular maintenance of machinery to maintain peak efficiency



Design for low carbon solutions

Integrate optimised site design with Costain’s production thinking principles, off site production, streamlined site layouts to reduce energy consumption, streamline construction and minimise energy demand



Deliver low carbon construction

Select fuel-efficient equipment in line with Costain’s Plant Specification and ensure machinery is appropriately sized for tasks to avoid unnecessary energy consumption.



Embed monitoring to drive efficiency

Utilise telematics systems to monitor and manage energy usage in real-time, providing insights into fuel consumption patterns and help identify opportunities for improvement.



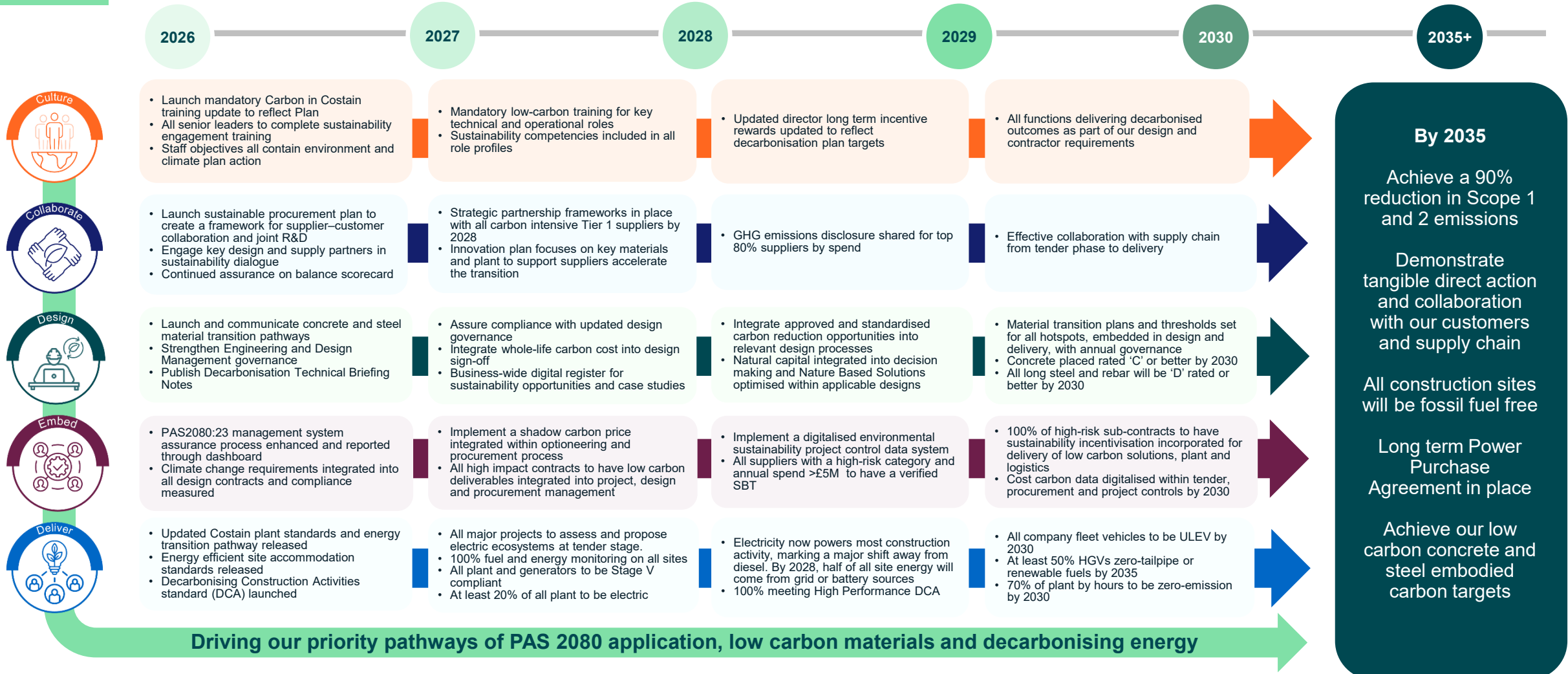
Collaborate with our subcontractors and suppliers

Our supply chain partners play a crucial role in achieving fossil fuel free sites, we will work together to integrate and trial new technology.



Appendix 4: Our actions 2026 - 2030

Detailed actions to drive the plan over the next 5 years



We will review and update key actions, where applicable, to reflect progress of critical enabling outcomes. Actions post 2035 will be included in the next plan update



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