Costain delivering Co2nstruct Zero priorities

Costain has set the agenda and pace for tangible action to be taken now to tackle climate change, meet net zero and embed the business case for sustainability across all stages of infrastructure through Climate Change Action Plan. Leading by example and being a clean growth leader, Costain is not only eliminating emissions from its direct footprint but also tackle the much-needed scope 3 emissions from its client's and supply chain partner's footprints. In 2019 the Action Plan was launched which set out a detailed 15-year plan to transition to a net zero by 2035 at the very latest without resorting to offsetting as a primary solution.

The Group has taken an industry shaping stance of tackling our whole life cycle footprint and thus is working in close collaboration to influence and lead the entire value chain to tackle its key emission hotspots. As such the Group has set ambitious targets to eliminate the industry footprint including:

- Systematically delivering to every client low carbon options (even when not requested) by 2023 through the application of PAS2080 principals
- Establishing a zero-emission car fleet made up of solely hydrogen and fully electric vehicles, for both car allowance and company car fleets by 2030. Currently 83% of company car fleet fully electric or hybrid.
- Reducing plant and machinery emissions by 100% by 2035 and launching a 20% idling reduction target for every Costain project in 2020.
- Eliminating the Group's energy footprint.

The industry leading approach is recognise by our Group PAS2080 certification.

The plan sets out the path to continue to lead by example and be a clean growth leader, enabling the uptake of low carbon solutions such as carbon capture and storage, clean hydrogen and connected & autonomous mobility.

An integral part of the Group Action Plan is Costain's industry recognised Resource Efficiency Matrix. This Group wide initiative focusing on waste, water, materials, design and whole life cost and carbon footprinting, is enabling contracts to effectively measure and manage their impact, improving the whole value chain's environmental performance. Since its launch, the Matrix has identified over £49M costs savings and 1.8MCO2e carbon savings for the entire value chain.

Whilst continuing to be the early adopters for low emission plant and trialling several industry first's in 2020, Costain is also shaping the machines of tomorrow, working with global plant and machinery manufacturers to advise on their research and development and accelerate widespread market availability of low and zero emission plant for our clients. A similar approach is being taken to tackle the industry's embodied material footprint, with a specific focus on low emission substitute or alternatives for concrete steel and aggregates. This work is building on the historic and ongoing collaboration with our clients to trail and subsequently implement the use of innovative low emission and clean energy technologies.

The below points illustrate the key actions undertaken to achieve this ambition however more detail on Costain's progress and achievements can be found in Costain's Climate Change Action Plan - One Year On Update.

Delivering priorities 4, 5 & 6: Energy efficiency and priorities 7, 8 & 9: Construction Activity

Low carbon materials, Design & Carbon measurements & Clean growth

- Recognising the inherent need to prioritise the elimination of emissions from concrete steel and aggregates Costain's Action Plan focuses solely on these materials in this first instance to ensure tangible action is taken to eliminate these significant emission sources.
- Group certification PAS2080 compliant since 2020. Costain have incorporated low or zero carbon alternative materials from the inception through every lifecycle stage of our solutions.
- Bringing to life our ambition through Costain's Resource Efficiency Matrix, 100% of our relevant contracts have achieved Gold standard which has resulted in saving over 49£m and 1.49Mt of carbon emissions equivalent (tCO2e) for the entire value chain.
- Since 2020 working closely with our design community, supply chain partners and clients we are continuously reviewing and challenging material and design specifications. Recent example, warm mix asphalt use on the A465 saving over 151tCO2e (*see attached case stud for more detail*)

Delivering priorities 1, 2 & 3: Transport

Zero emission vehicles and transport infrastructure:

- In 2020 Costain launched our car fleet transition plan (*attached to email*) which addresses the Group company car footprint in addition to all scope 3 emissions associated to car allowance drivers. This 10-year plan sets out how we achieve a 100% emission free vehicle fleet (100% fully electric and hydrogen) by 2030 and at least 75% of the fleet emission free by 2027.
- Low emission vehicles are already available across every company car fleet grade and numerous incentives to transition to zero emission vehicles are already in place (e.g. possibility to upgrade 2 car grades if opting for a fully electric vehicle)
- **87%** of vehicles on the company car list available today are fully electric or hybrid, with the recent addition of Tesla vehicles to the list.
- E-learning rolled out to all relevant drivers to assist individuals taking the delivery of an ultra-low emission company car and additional guidance on the installation of charging points and other Electric Vehicle (EV) vehicle related questions is provided to accompany drivers.
- Future shaping the UK energy and transport networks through our work in clean and renewable energy and Connected and Autonomous Mobility (CAM) to accelerate the UK's readiness for zero emission vehicles
- Active member of EV100 since 2020

Construction plant:

- Plant emissions represent a significant proportion of our Group carbon footprint. We are eliminating this emission source through a 3-pronged approach:
    - Continuing to spearhead the industrialisation of low and zero emission plant through the trial, group uptake and industry adoption of this equipment. This all while we continue to maximise the utilisation of low emission machines currently available today.
    - Working with global plant OEMs to support and accelerate the R&D and subsequent market availability of zero emission plant for the industry, providing immediate stakeholder feedback and live trial sites
    - Eliminating idling. While we recognise we cannot swap out every piece of plant for a zero mission alternative today we can ensure we use existing machines as efficiently and effectively as possible. Through the consistent use of telematics data, we are driving behaviour change and eliminating industry idling. Since 2020 100% of contract have established an idling basin and have been set a year on year 20% idling reduction target. See our recent telematics article for more examples.