



# Sustainability Strategy

## Social Value at Ferrovial Construction

2023 – 2026

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<b>Delivering social value through our sustainability strategy</b>	<b>4</b>
 <b>Our governance pillars</b>	<b>6</b>
Values-driven governance	8
Responsible and resilient supply chain partners	10
 <b>Our environmental pillars</b>	<b>12</b>
A net zero future	14
A circular economy	16
Thriving natural environments	18
 <b>Our social pillars</b>	<b>21</b>
Community investment	22
Skills, education & employment	24
Diverse & inclusive workforce	26
Employee health, safety, and wellbeing	28
<b>Awards and recognitions</b>	<b>30</b>

# Delivering social value through our sustainability strategy



**We are experiencing complex local and global societal challenges such as an ageing workforce and labour shortages, widening skills gaps, supply shortages, social isolation, declining air quality, climate emergency, and biodiversity loss. Our industry must collaborate, innovate, and adapt our ways of working to mitigate these challenges.**

We recognise our responsibility to deliver efficient and sustainable infrastructure that adds value for our stakeholders, enhances the natural environment, and delivers lasting positive impacts to local communities. Our Sustainability Strategy outlines our ambitions and targets to deliver positive social, economic, and environmental impact at a local and national level across our Ferrovial projects.

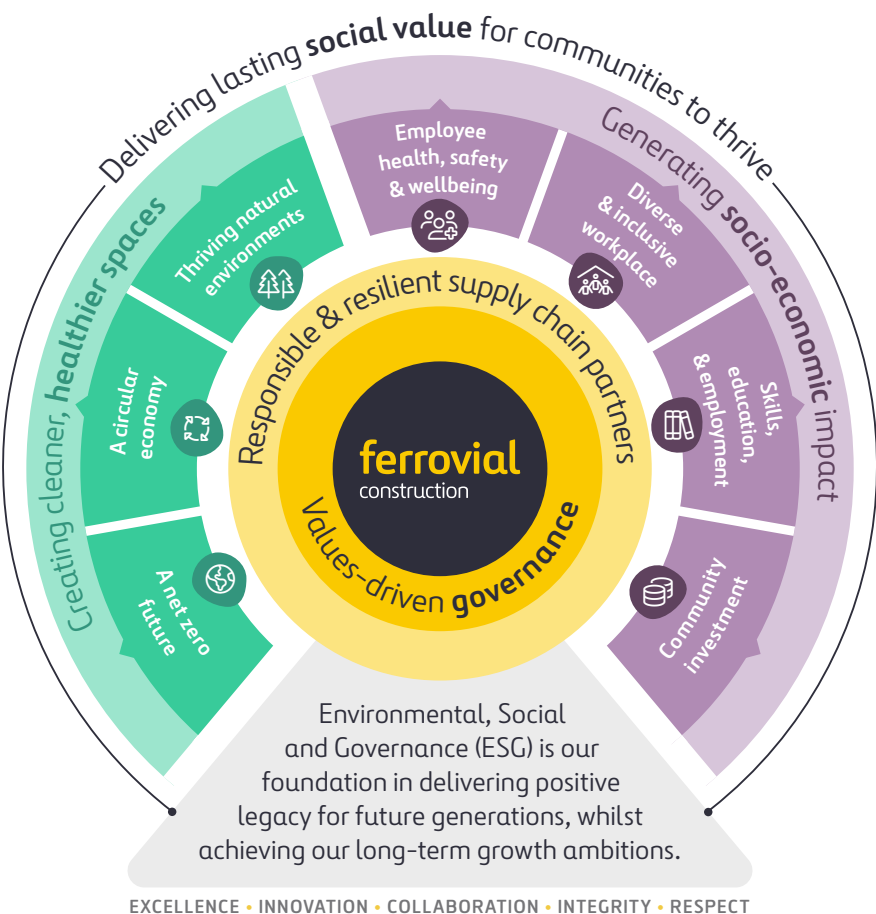
By achieving our goals, we will:

- Meet current and future skills demand
- Diversify our talent pool
- Attract and retain talent
- Exceed client expectations
- Enhance our reputation
- Win new business
- Comply with current and emerging legislation.

This strategy is a tool for identifying new business opportunities which enables us to stand out as an innovative, inclusive, and socially responsible company.

**KARL GOOSE,**  
**Managing Director, UK & Ireland**

**Our Purpose:** Develop innovative and efficient infrastructure to meet the demands of our rapidly changing world, where respect for the environment and the generation of positive local social impact are at the forefront of our actions.





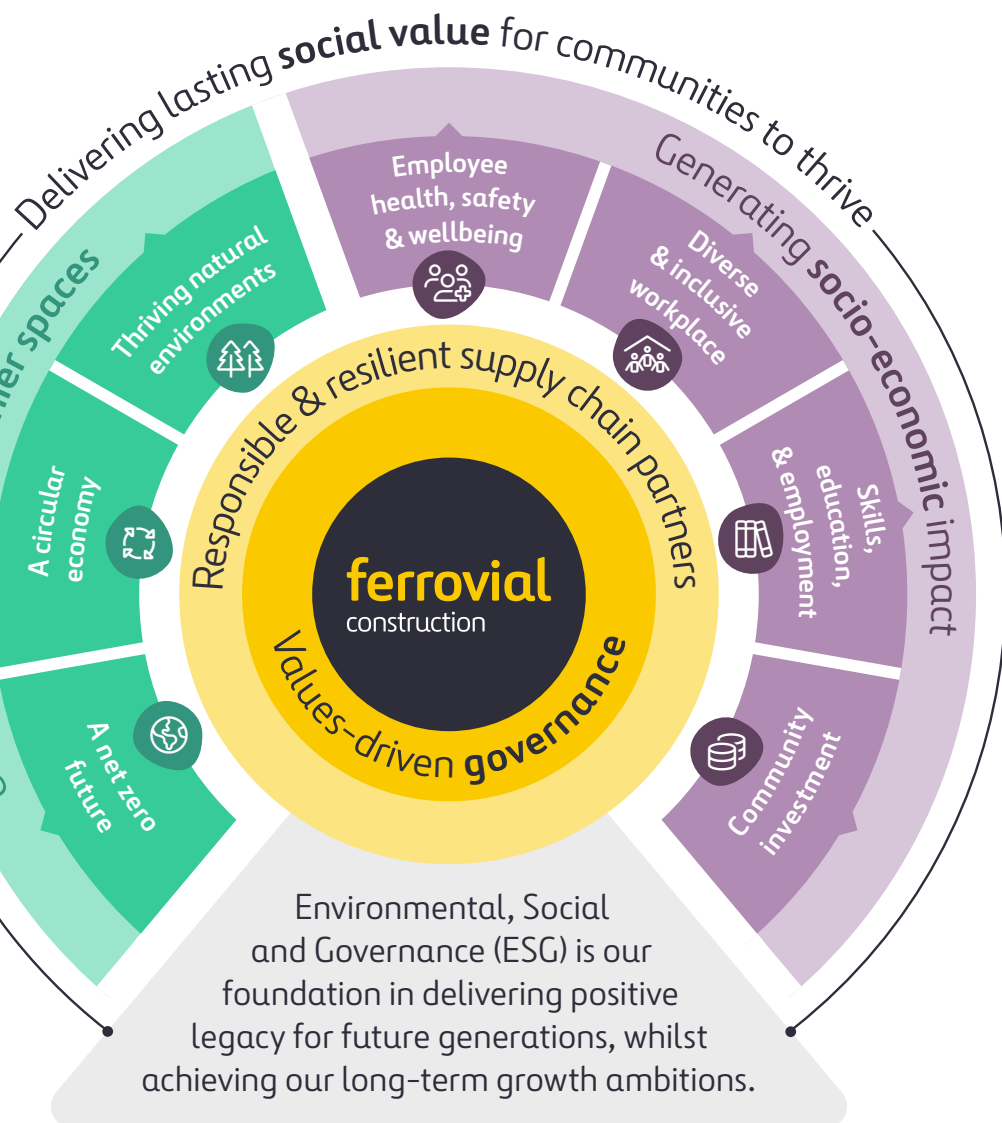
# Our **governance** pillars

Forming an integral part of our sustainability strategy, our core governance pillars are central to ensuring our organisation, our people, and our supply chain partners embed our society's environmental and social priorities in everything we do.

Ferrovial Construction is committed to collaborating with our peers to deliver positive local impact while considering our contribution towards the United Nation's Sustainable Development Goals.



Creating cleaner, healthier



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# Values-driven governance

Our purpose to develop sustainable, innovative, and efficient infrastructure for society and our stakeholders is driven by our five core values. Our beliefs and values will continue to enable us to deliver our industry commitment to sustainability.







### **Embedding social value in board level decision-making, day-to-day activities, and our culture**

Our approach to delivering social value is underpinned by our sustainability governance. Our Sustainability Committee and executive sponsors are responsible for delivering on our commitments, communicating progress to our stakeholders, and continuously monitoring the impact of our activities.

We monitor and analyse progress against our targets via our internal reporting systems on a quarterly basis. The launch of our Social Value Measurement reporting software further enables us to assess and reliably evidence the value for money and social value we are creating.

### **Supporting local and global societal needs**

Through our commitments we can directly impact 11 of the 17 United Nation's Sustainable Goals, however we recognise our ability to indirectly support all 17. We will monitor our progress against the goals on an annual basis through our social value measurement tool.

### **Investing in innovation and digitalisation**

Our corporate Innovate Construction Awards, Zuritaken Programme, and Graduate and Values Awards recognise and reward our employees and stimulate a culture of innovation, new thinking, and best practice sharing.

We will continue to invest in innovation and digitalisation with industry partners and prioritise new business and clients that promote our industry's sustainability commitments. Over 90% of our UK innovation projects support our social value targets, including diversity & inclusion, net zero carbon, and health, safety and wellbeing.

# Responsible and resilient supply chain partners

Our supply chain partners are the very foundation upon which we embed true social value.

## Embedding ethical supply chain practices

We extend our responsible business practices and expectations through to our supply chain, focusing on areas such as modern slavery, cyber security, and environmental performance. Close collaboration and clear expectations maximise opportunities for all.

## Supporting local economic growth through inclusive procurement

We aim to increase our spend with local supply chain, Small medium enterprises (SMEs) and Voluntary Community Social Enterprises (VCSEs) through local authority and community group partnerships and hosting meet-the-buyer events.

We are a signatory of the Prompt Payment Code, meeting best-industry-standard to pay SMEs within 30 days.

OUR TARGETS

**33%**

spend with SMEs and VCSEs; Mandatory modern slavery e-learning; All suppliers maintain Silver level on SCSS

17 PARTNERSHIPS  
FOR THE GOALS



Our  
ISO 44001  
certification for  
collaborative business  
relationships recognises  
our preferred approach in  
strengthening relationships  
to unlock optimum  
performance and  
better value.

8 DECENT WORK AND  
ECONOMIC GROWTH



## Promoting an engaged, skilled, and resilient supply chain

We have a role in reducing our industry's skills gap through the support and development we offer our supply chain partners. We promote investment in training via the Supply Chain Sustainability School (SCSS) learning pathways and workshops.

We facilitate effective two-way communication, utilising our responsible business practices in combination with the expertise of our supply chain along with championing innovation.



# Our **environmental** pillars

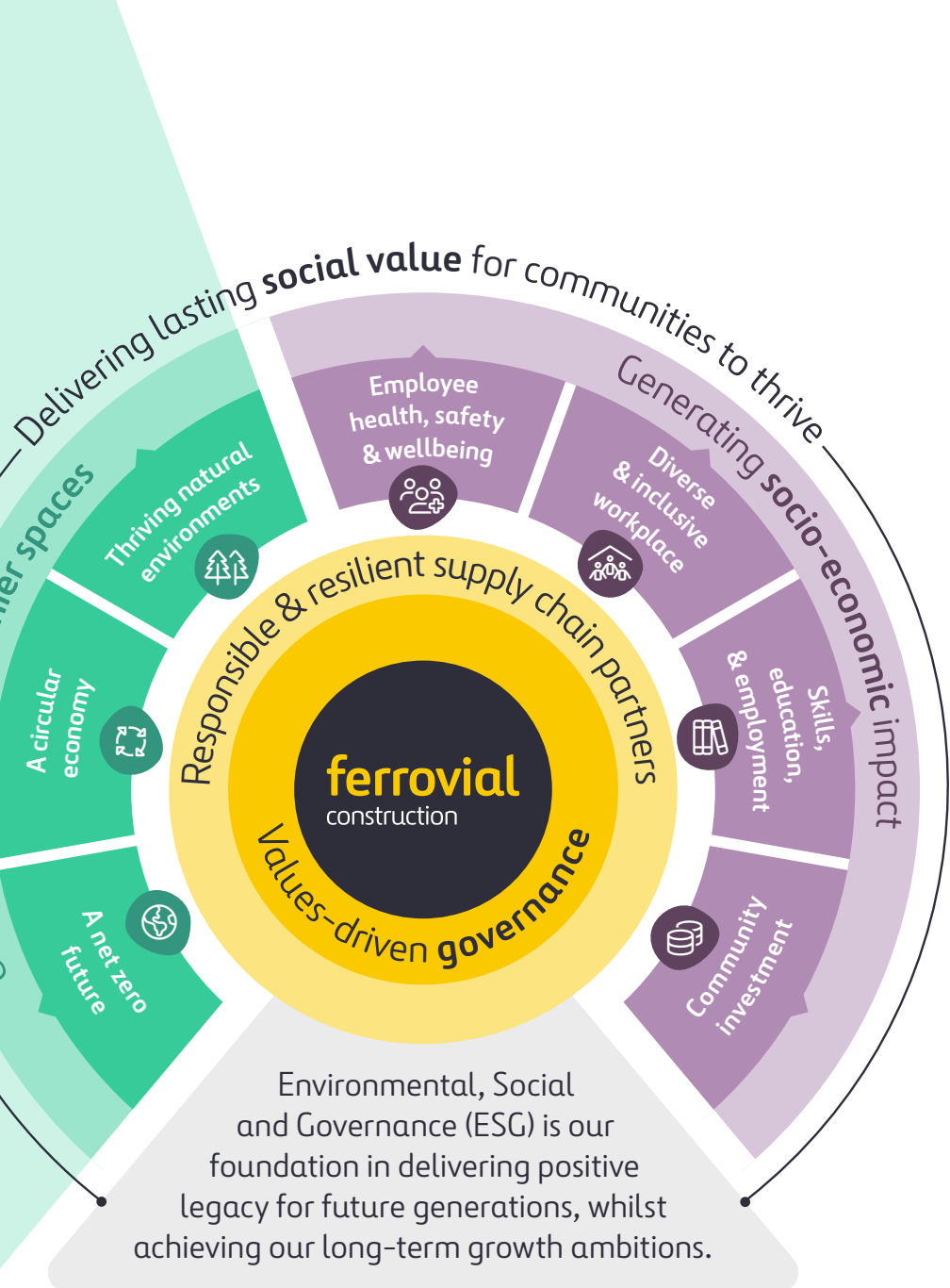
Ferrovial Construction is committed to reducing our environmental footprint through our climate strategy.

We prioritise pollution prevention, reducing construction emissions and enhancing species-rich habitats to bring cleaner, healthier community spaces for local communities.



Creating cleaner, healthier





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# A net zero future

Delivering decarbonisation against our emission reduction targets by 2030 and achieve net zero before 2050.

## OUR TARGETS

Progressing towards our corporate 2030 reduction targets\*:

Scope 1 & 2 emissions by

**35.5% vs 2009**

Scope 3 emissions by

**20% vs 2012**

We have achieved a

**24.88%**

reduction in Scope 1 and 2 emissions and

**42.54%**

in Scope 3 against corporate baselines

Our decarbonisation pathway outlines our priorities to reduce the embodied carbon of our designs and eliminate diesel fuel from our activities.

Since achieving PAS 2080 in 2019, we are continually enhancing the tools and resources available to our teams and supply chain to enable them to proactively quantify and visualise carbon hotspots and reduction opportunities, following the carbon reduction hierarchy. This includes rolling out carbon training and carbon calculator tools.

13 CLIMATE ACTION



*\* Ferrovial was the first company in our sector worldwide to verify our corporate emission reduction targets by SBTi in 2017.*

We are accelerating the transition towards zero emission vehicles, plant, and machinery and targeting diesel free sites on our projects to reduce our carbon footprint and improve local air quality. Working in collaboration with our supply chain, we are embedding new initiatives including: cleaner fuels, electric plant and battery power storage, renewable generation, and hydrogen generator trials.

Our decarbonisation pathway is key to identifying and addressing key hotspots within our business.



2023	2024	2025	2026
PAS 2080: 2023 Standard	Diesel free site	Maintain 100% renewable electricity	70% electric vehicle fleet
Low carbon design and reduction target for all relevant contracts	Low carbon steel trials		
Low carbon concrete trials	100% senior leadership carbon training		



**Innovating for low carbon:** In 2022 we joined the Connected Places Catapult Accelerator to provide business and technical support to three SMEs. We are providing solutions to reduce carbon, including Concretene graphene-enhanced concrete and Looper's AI-powered carbon and EPD generator software. These solutions will be trialled throughout 2023.





# A circular economy

Embed circular economy principles at each stage of the project life cycle to drive efficiencies, eliminate waste generated on our sites, and reduce noise and disturbance for local residents.

Our principles include:

## **Adopting circular economy approaches in design**

- Designing for offsite manufacturing and Modern Methods of Construction (MMC)
- Increasing the sourcing of materials with high recycled content and recyclability
- Prioritising cut and fill balance where possible.

## **Reducing waste generated during construction**

- Reusing non-hazardous excavated waste on relevant contracts for on site and beneficial reuse, e.g. for landscaping material or infill for permanent and temporary works
- Planning for the treatment and storage of materials on site
- Promoting leaner constructure and 'Right First Time' to avoid rework and promote efficiencies
- Reducing our use of resources, including water and energy, through innovative approaches and solutions.

OUR TARGETS

Year-on-year  
**reduction**  
in waste intensity

Reduction  
in water  
consumption by  
**20%**

12 RESPONSIBLE  
CONSUMPTION  
AND PRODUCTION



**Innovating for a circular economy:** We are exploring innovative applications for circular materials through our research and development projects, working in partnership with the University of Leeds and industry groups.







## CASE STUDY

### Thame Valley Viaduct

Our HS2 Thame Valley Viaduct project has maximised the use of sustainable solutions and prioritised Design for Manufacture and Assembly (DfMA) and MMC.

We've begun assembling the UK's first major railway viaduct to be entirely manufactured off-site, in a move that represents a major step forward for viaduct design and promises to boosting safety and efficiency on site.

The structure of the viaduct has been simplified and, unlike more traditional viaduct designs, every major element of the 880m long Thame Valley Viaduct is being manufactured in a factory before being slotted together on site like a giant Lego set, cutting its carbon footprint by around a third.

Thame Valley Viaduct is considered a Key Design Element (KDE) because of its proximity to local residents, its location within sensitive areas, and the community interest around the River Thames corridor. The new lighter-weight structure is expected to save 19,000 tonnes of embedded carbon in comparison to the previous design. This approach also requires fewer deliveries to site, reduces waste generated, and disruption for the community during construction.

Around the viaduct, the river floodplain will be enhanced to boost biodiversity and help better manage flood water. This will include replacing existing arable land with new wildlife-rich areas of woodland and wetland.



# Thriving natural environments

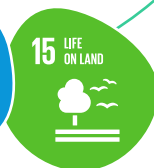
Protecting and enhancing the natural environment in the local communities surrounding our projects for current and future generations.

## Preventing pollution to promote cleaner spaces

Our ISO 14001 Environmental Management System, certified since 2013, underpins everything we do to protect our environment and enhance the quality of local community spaces. Our projects are achieving our annual target of Environmental Incident Frequency Rate (EIFR) of <0.06 and are implementing innovative technologies to prevent and mitigate pollution from our activities to the neighbouring air, land, and watercourses, including quieter and cleaner plant and machinery.

OUR TARGETS

All relevant contracts in 2024 measuring biodiversity impact and implementing action plans



## Promoting biodiversity gain and climate resilience

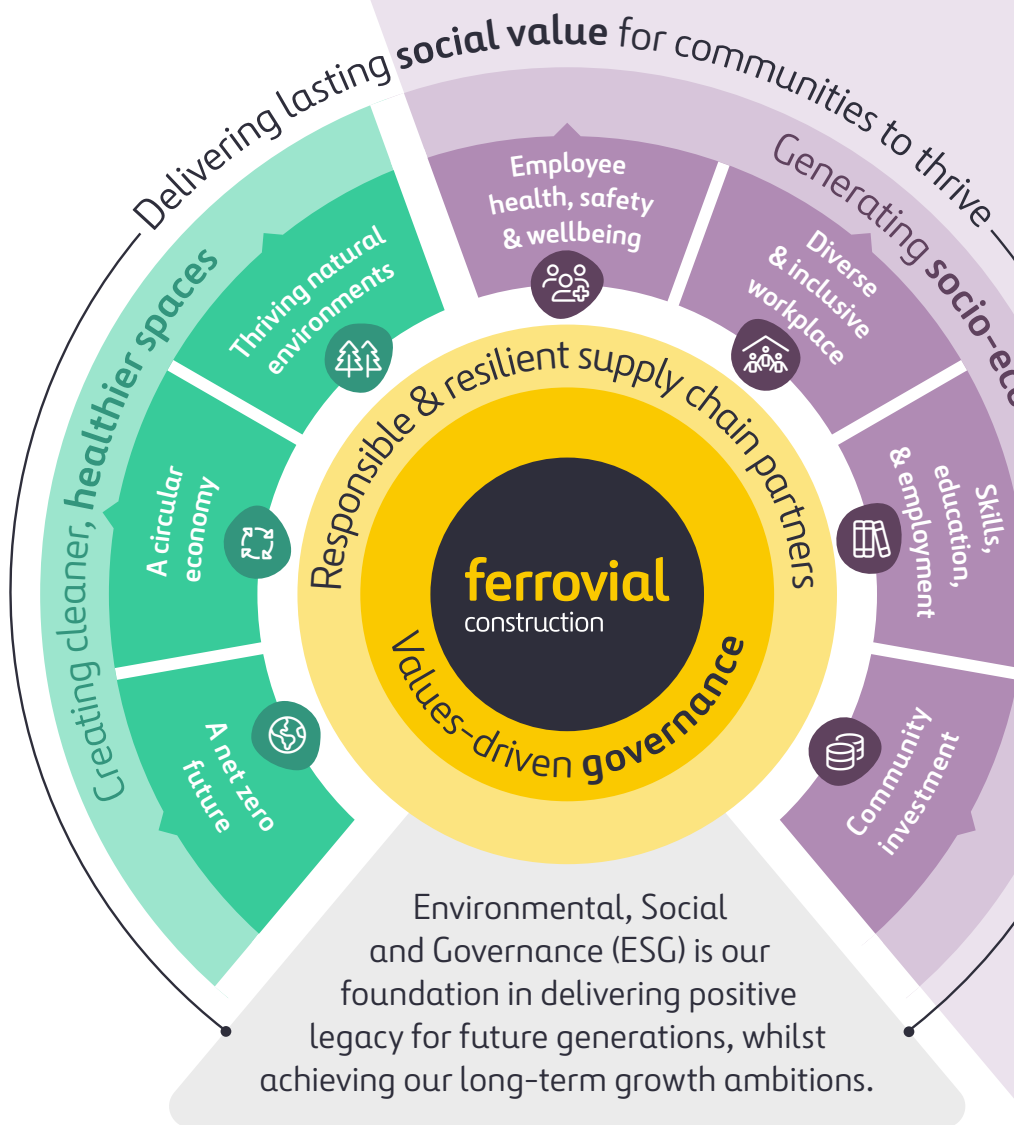
We are committed to restoring our natural environments through a whole lifecycle approach to biodiversity net gain on our contracts. We will prioritise and implement nature-based solutions through design and procurement to deliver species-rich habitats and climate-resilient infrastructure.



## CASE STUDY

# Protecting Britain's Bees at HS2 EKFB

To increase biodiversity at HS2 we have partnered with the Great British Bee Project (GBBP) to protect and expand populations of the endangered British Black Bee – Britain's only native honeybee species. To encourage native colony growth, we are installing 14 bee hives across the wildlife site. The re-introduction of this threatened species on a project of this scale has never been done before. We are providing a real opportunity to enable the expansion of this threatened species across the UK.



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# Our **social** pillars

Ferrovial Construction is committed to delivering lasting social value in the communities surrounding our activities by creating equal and accessible opportunities, promoting healthy work environments, and investing in local regeneration.





# Community investment

We set ambitious targets to increase volunteering, invest profits back into the community and promote opportunities with our business, through our supply chain partners and across our projects.

## Making a difference through employee volunteering

Our Employer Supported Volunteering (ESV) Programme offers two days paid leave for our employees to make a difference to a local cause of their choice, while contributing towards our global Sustainable Development Goals (SDGs).

## Investing in charitable giving

We identify local and community needs to support them through charitable giving, fundraising, in-kind donations and payroll giving.

The launch of our payroll giving scheme will offer a direct way for our employees to give regularly to the causes that matter to them.

Calculated through our London Benchmarking Group reporting system, we leveraged £224,396 of direct and indirect value from our volunteering, donations, and fundraising activities in 2022.

OUR TARGETS

10,000

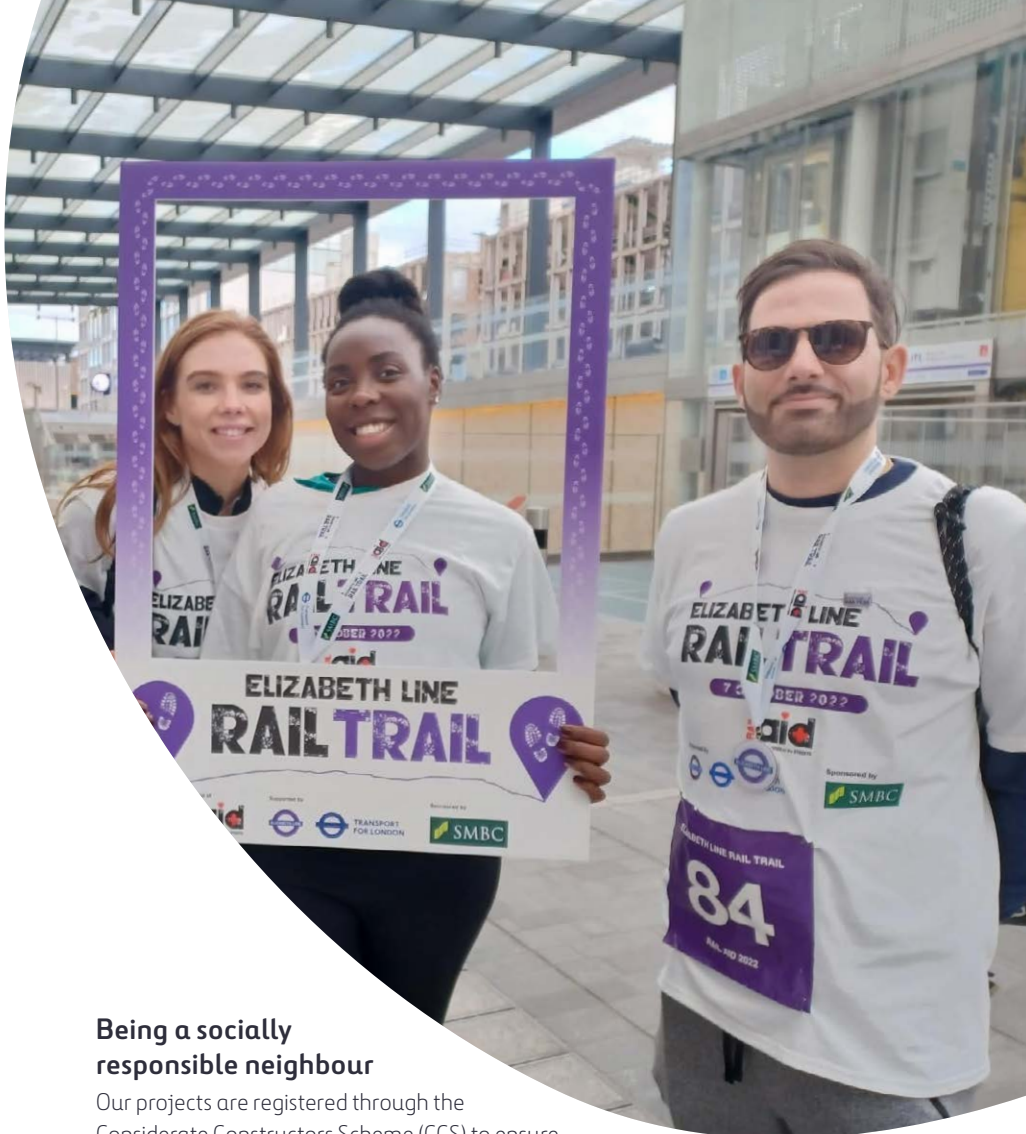
employee  
volunteering  
hours by 2026

2 ZERO  
HUNGER



1 NO  
POVERTY





## Being a socially responsible neighbour

Our projects are registered through the Considerate Constructors Scheme (CCS) to ensure we always operate with the highest standards of respect and care to local environments and residents. Our Silvertown Tunnel project achieved a perfect score in all areas of their latest audit: respecting the community, caring for the environment and valuing the workforce; receiving a grade of 'excellent' in each category and scoring 15/15 with an overall score of 45/45.



# Skills, education & employment

Reducing economic inequalities in our local communities through sustained employment and development opportunities and investment in our early talent.

## Investing in early talent

Our Early Talent Programme, comprises 90 apprentices, graduates, QUEST scholars, interns and work experience placements, of which 34% are female and 38% from ethnically diverse backgrounds.

The three-year Institute of Civil Engineers (ICE) QUEST scholarship provides 40 days of summer work experience each year to support the professional development of future and current undergraduate civil engineers.

We will continue to promote our STEM Ambassador Programme to encourage our employees to gain valuable experience engaging with and mentoring younger people. We work with local schools and community organisations to deliver CV writing and interview prep workshops, insight days, and work experience placements to engage and inspire the younger generation into our industry. Through our partnership with the charity 15 Billion on our Silvertown Project, we are promoting social mobility and opportunities for young people in east London.

## CASE STUDY

### Thames Tideway Skills, Education, & Employment

**347**  
workless new  
starts

**106**  
STEM  
volunteering  
days

**31**  
apprentices

**62**  
graduates

**33%**  
of employees  
are local

8

DECENT WORK AND  
ECONOMIC GROWTH

4

QUALITY  
EDUCATIONRIVERLINX  
CJV

20%

of our workforce  
will be through  
our early talent  
investment

10%

of our workforce  
will be STEM  
Ambassadors

ARMED FORCES  
COVENANT

## Reducing economic inequalities in our local communities

We are creating sustained employment and development opportunities for local people and underrepresented groups including those who are long term unemployed, ex-offenders, ex-armed forces members, and returners. Our HS2 (High Speed Two) project was the first Joint Venture to sign the Armed Forces Covenant to support ex-armed forces.



**Innovating in SEE:** We partner with job brokerages and have deployed Innovative 3D Virtual Viewing software to promote local employment at our Silvertown Tunnel project.



# Diverse & inclusive workforce

Attracting, retaining, and developing a diverse range of talent stimulates fresh thinking and innovation and enables us to drive productivity and sustainable growth for our business, supply chain partners, and our local communities.

## OUR TARGETS

Females make up 35% of our workforce and 33% of our senior leadership team

**by 2026**

**>2%**

of our workforce identify as LGBTQ+

**10**

REDUCED INEQUALITIES



Our workforce is **>30%** ethnically diverse

**>2%**

of our workforce have declared a disability

## Increase representation

Create a workforce that is diverse in backgrounds, cultures, skills, and experiences.

We embrace our international diversity and continue to attract the best talent. We are proud of our diverse makeup, around 30% of our workforce is female and 27% are from ethnically diverse backgrounds and will continue to build on this success.

We are committed to creating necessary provisions and alternative routes into our industry to ensure Ferrovial is an attractive and accessible place to work for underrepresented groups, focusing on people with disabilities, those over 50 years, and the LGBTQ+ community.



## Support progression

Remove barriers and increase support for underrepresented and diverse groups including women, people with disabilities, returners, carers, and people in their 50s and 60s.



### CASE STUDY

## Global Mentoring Programme

Our Global Mentoring Programme was launched in 2020 to increase the retention and progression of females from ethnic minorities within Ferrovial. Two of our mentees went on to win at the Women in Construction & Engineering (WICE) Awards in 2021 and a further five in 2022.

## Ensure retention

Fostering a culture of fairness, inclusion, and respect (FIR), where everyone can be their best selves and is supported to thrive at Ferrovial:

- Providing safe spaces for our employees
- Celebrating our differences through our EDI Forums and Working Group.

Promote  
our **FIR**  
**Ambassadors**  
& **Employee**  
**Networks**

**Menopause**  
**support**

**Training** on  
microaggressions,  
allyship,  
anti-racism

**Reduce**  
gender &  
ethnicity pay  
gaps

**Career**  
**pathways** and  
development  
reviews



**Innovation for diversion and inclusion:** We are partnering with the University of Leeds to explore our pay gaps and how retaining women and minority groups in the foundation industries stimulates transformation to achieving our sustainability goals.





# Employee health, safety, and wellbeing

Providing workplaces that positively impact the health and wellbeing of our employees and supply chain.

Our industry leading programme, ALWAYS SAFE, ALWAYS READY sets our global Health, Safety and Wellbeing culture and reduces safety risks against our four key indicators:



This programme is the latest update of our LIFE behavioural programme that we have delivered since 2009. We are continuously seeking new approaches and solutions to equip our graduates to senior leaders with the behavioural skills and confidence to set the right safety culture and speak up to address areas of risk.

2023	2024	2025	2026
LIFE programme redeveloped	ASAR Programme pilots	25% existing management trained	100% new managers trained

## OUR TARGETS

# 100%

of our line managers trained in Mental health awareness in 2024

3 GOOD HEALTH AND WELL-BEING



# 10%

annual increase in employees undertaking annual health screenings



Our health & safety programme is further enhanced by our global HASAVI wellbeing programme. We are committed to increasing the physical and mental wellbeing support offered to our workforce so everyone can perform at their best every day.

We are providing:

- Annual health and wellbeing screenings
- United Heroes physical wellbeing app
- Mental Health Awareness training to managers
- Certified Mental Health First Aider training
- ‘Step-up to Safety’ – one-to-one check-ins
- Quarterly Wellbeing Webinars with our occupational health provider, PAM Assist.

# Awards and recognitions

## CSR Accreditation Gold Award

We achieved the Gold Award by CSR Accreditation in response to our social value commitments and annual performance against four pillars: Environment, Workplace, Community, and Philanthropy. This accreditation recognises and celebrates the work taking place within the business to reduce our environmental impacts, support and develop our people, and deliver positive social outcomes for local communities.



## Appointed a CO<sub>2</sub>nstruct Zero Business Champion

As a CO<sub>2</sub>nstruct Zero Business Champion, we join organisations from across the UK construction industry to declare our commitment to targeted carbon reduction and share innovations and best practice with our peers. By measuring our progress against a set of priorities and metrics, we are acting as role models to support the industry's move to net zero carbon.



## Verified to PAS 2080 Carbon Management in Infrastructure

We were one of the first contractors to achieve PAS 2080 verification in 2019. This standard demonstrates our leadership in carbon management and our commitment to tackling the carbon challenge through continuous improvement, value chain collaboration, and innovation.



## Disability Confident Scheme

We are a Disability Confident Committed (Level 1) employer, demonstrating our commitment to ensure our business is accessible to attract and retain people with disabilities and health conditions. Improving access and support for people with disabilities is a focus of our diversity and inclusion commitments.



## Highly awarded through the Considerate Constructors Scheme

All of our projects consistently score above 40 on the Considerate Constructors Scheme (CCS), promoting the highest standards of care, respect and involvement for the local community.



## Partner of the Supply Chain Sustainability School (SCSS)

As a Partner of the Supply Chain Sustainability School, we collaborate with industry groups, including the Climate Action Group and Social Value Working Group. We work with contractors, designers, consultants, and clients across our industry to shape the industry best practice, training, and resources to upskill our supply chain partners.





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