



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<sup>1</sup> 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 CRP should be specific to the bidding entity, or, provided certain criteria are met, may cover the bidding entity and its parent organisation. In order to ensure the CRP remains relevant, a Carbon Reduction Plan covering the bidding entity and its parent organisation is only permissible where the detailed requirements of the CRP are met in full, as set out in the Technical Standard<sup>2</sup> and Guidance<sup>3</sup>, and all of the following criteria are met:

- The bidding entity is wholly owned by the parent;
- The commitment to achieving net zero by 2050 for UK operations is set out in the CRP for the parent and is supported and adopted by the bidding entity, demonstrated by the inclusion in the CRP of a statement that this will apply to the bidding entity;
- The environmental measures set out are stated to be able to be applied by the bidding entity when performing the relevant contract; and
- The CRP is published on the bidding entity's website.

Bidding entities must take steps to ensure they have their own CRP as soon as reasonably practicable and should note that the ability to rely on a parent organisation's Carbon Reduction Plan may only be a temporary measure under this selection criterion.

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.

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<sup>1</sup>Bidding supplier or 'bidding entity' means the organisation with whom the contracting authority will enter into a contract if it is successful.

<sup>2</sup>Technical Standard can be found at:

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/991625/PPN\\_0621\\_Technical\\_standard\\_for\\_the\\_Completion\\_of\\_Carbon\\_Reduction\\_Plans\\_\\_2\\_.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/991625/PPN_0621_Technical_standard_for_the_Completion_of_Carbon_Reduction_Plans__2_.pdf)

<sup>3</sup>Guidance can be found at:

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/991623/Guidance\\_on\\_adopting\\_and\\_applying\\_PPN\\_06\\_21\\_\\_Selection\\_Criteria\\_\\_3\\_.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/991623/Guidance_on_adopting_and_applying_PPN_06_21__Selection_Criteria__3_.pdf)

# Carbon Reduction Plan

**Supplier name:** Ferrovial Construction (UK) Ltd.

**Publication date:** 17 September 2025

## Introduction

This Carbon Reduction Plan supports the requirements of the PPN 06/21 “Procurement Policy Note – Taking Account of Carbon Reduction Plans in the procurement of major government contracts”. This CRP is applicable to Ferrovial Construction UK & Ireland and its subsidiaries, Ferrovial Construction (UK) Ltd., Ferrovial Construction (Ireland) Ltd, FC Civils Solutions Ltd. Ferrovial Construction (UK) Ltd is part of Ferrovial Corporación, S.A. (Ferrovial). The baseline and targets included within this CRP apply to both Ferrovial Construction UK & Ireland and its parent company, Ferrovial, as validated under its corporate Science Based Targets Initiative (SBTi) verification. This CRP will be adopted jointly, with environmental management measures applied to Ferrovial Construction UK & Ireland when performing the Contracts.

Ferrovial undertakes carbon reporting as aligned to the calendar reporting cycle, 1st January – 31st December, since calendar year 2009/2010. The current reporting period covered by this plan is 1st January 2024 – 31st December 2024.

## Methodology and Reporting

Ferrovial uses the greenhouse gas (GHG) protocol operational control as an organisational boundary to determine its baseline for Scope 1, 2, and 3 emissions. For Scope 2 emissions, the GHG Protocol “market-based” methodology has been used. The Scope 3 category data is calculated following the guidelines set out in the Corporate Value Chain (Scope 3) Accounting and Reporting Standard published by the GHG Protocol Initiative, the WRI and the WBCSD.

Ferrovial’s GHG emissions reporting methodology complies with the UK Government’s legal reporting requirements as per the Streamlined Energy and Carbon Reporting (SECR) and Energy Savings and Opportunities Scheme (ESOS). PwC is engaged by Ferrovial to provide limited assurance, in accordance with ISAE 3410, over selected greenhouse gas performance data for Scope 1, 2, and 3 annual reporting purposes. Further detail on Ferrovial’s emissions calculation methodology and verification is available in the [Ferrovial Climate Strategy 2024](#) and the [Ferrovial 2024 Integrated Annual Report](#).

## Commitment to achieving Net Zero

Ferrovial’s commitment to achieving net zero by or before 2050 is framed within our Climate Strategy under the company’s Horizon 24 Strategic Plan and aligned to our 2030 Sustainability Strategy. We have been auditing the greenhouse gas emissions from our activities (Scope 1 and 2) and those that come from the value chain (Scope 3) since 2009.

Ferrovial is recognised as a leader for our commitment to the fight against climate change and has been recognised by the Carbon Disclosure Project (CDP) in the Leadership Climate “A list” category since 2010 for our Climate Strategy and rated ‘A-’ in the CDP Water List in 2024.

We continue to be recognised in the main sustainability indices in: Ranked in the Dow Jones Sustainability Index (DJSI) for the last 23 years and recognised as the most sustainable infrastructure company globally; included in FTSE4Good index in its last 21 editions; MSCI “A” rating; recognised by Sustainalytics as an ESG Industry Top-Rated Company in its sector; Awarded the EcoVadis Top 5% Gold Medal.



Ferrovial was the first Spanish company and first infrastructure company globally to have its emission reduction targets verified by the Science-Based Targets Initiative (SBTi). In 2021, we collaborated with the SBTi to support the development of the Net-Zero Standard and the tool for calculating emission reduction targets. We have submitted our new commitment to the SBTi in 2024, outlining an updated baseline and emission reduction targets aligned to the new standard.

## 1. Baseline Emissions Footprint

Baseline Year: 2009 Calendar Year (1 <sup>st</sup> January – 31 <sup>st</sup> December 2009)	
Ferrovial Scope 1 and 2 emissions are aligned to a 2009 baseline, and Scope 3 emissions are aligned to a 2012 baseline, as verified by the SBTi in 2017. Ferrovial Construction UK Ltd is using the baselines parent company, Ferrovial, and our global SBTi verification.	
Emissions (tCO <sub>2</sub> e)	Ferrovial Construction UK & Ireland
Scope 1	1,982
Scope 2	388
Scope 3 (Included Sources) *	169,775
Purchased goods	122,971
Upstream transportation	44,834
Waste	1,919
Commuting	-
Business Travel	51
Total Emissions	172,146

## 2. Current Emissions Reporting

Reporting Year: 2024 Calendar Year (1 <sup>st</sup> January 2024 – 31 <sup>st</sup> December 2024)	
Emissions (tCO <sub>2</sub> e)	Ferrovial Construction UK & Ireland
Scope 1	857 (-57% vs. 2009)
Scope 2	0 (-100% vs. 2009)
Scope 3 (Included Sources) *	64,070 (-62% vs. 2012)
Purchased goods	46,425
Upstream transportation	13,449
Waste	2,651
Commuting	1,319
Business Travel	226
<b>Total Emissions</b>	<b>64,927</b>

\*Indirect emissions (Scope 3). Ferrovial calculates Scope 3 emissions following the guidelines set out in the Corporate Value Chain (Scope 3) Accounting and Reporting Standard published by the GHG Protocol Initiative, the WRI and the WBCSD. The following scope 3 emission categories, as per the Corporate Value Chain (Scope 3) Accounting and Reporting Standard, included within the baseline footprint for the UK are: Purchased goods and services (category 1); Upstream transportation and distribution (category 4); waste generated in operations (category 5); business travel (category 6). Employee commuting (category 9) was excluded from the UK 2012 baseline but is included in the current emissions reporting for 2024. As per the PPNO6/21 requirements, the Scope 3 category 'Downstream transportation and distribution' does not apply as Ferrovial does not sell products that are transported or stored.

## 3. Emissions reduction targets

Ferrovial was the first company in its sector worldwide to establish and have its emissions reduction targets endorsed by the SBTi. The company has set the following targets:

- Reduce Scope 1&2 emissions in absolute terms by 35.3% in 2030 (base year 2009).
- Reduce Scope 3 emissions in absolute terms (excluding capital goods and purchased goods & services categories) by 20% in 2030 (base year 2012)\*.

\*Our scope 3 emission reduction target validated by SBTi excludes the purchased goods and services & the capital goods categories. At the time of validation, the categories of purchased goods and services & capital goods represented less than 33% of our scope 3 emissions; falling outside of the criteria requirements set by the SBTi: *If scope 3 represented more than 40% of the corporate carbon footprint, a target covering at least 67% of scope 3 emissions should be submitted.*

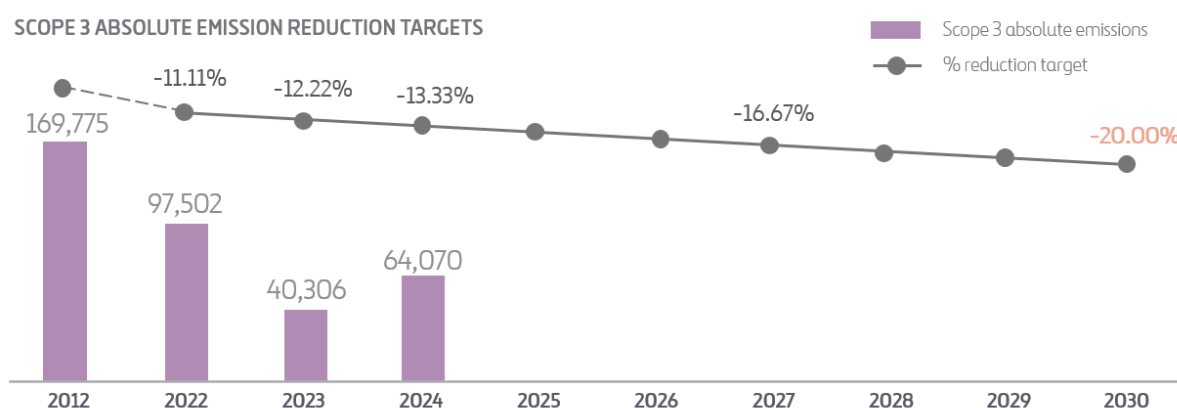
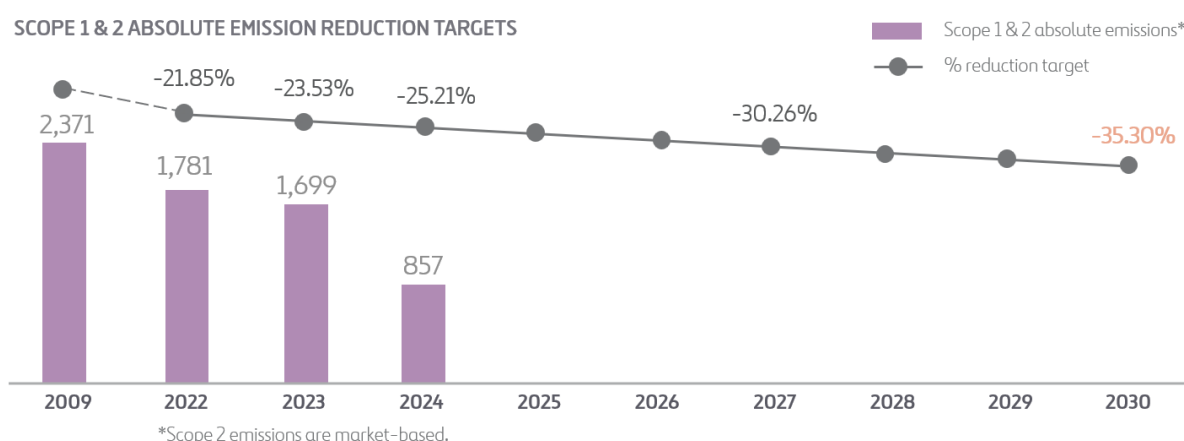
Ferrovial is updating its carbon emission reduction targets to align with the most ambitious scenario of SBTi, 1.5°C pathway and Net Zero Standard, before 2025. This will include an updated baseline year to ensure a more representative baseline of our business activities to continue our decarbonisation journey.

## 4.1 Progress against emission reduction targets

In 2024, Ferrovial Construction UK achieved a 64% reduction in scope 1 and 2 emissions from our 2009 baseline, exceeding the 35.30% target by 2030. The significant decrease in absolute emissions is due to increasing diesel alternatives in plant and equipment such as hydrotreated vegetable oil (HVO) and using renewable supplied electricity, as well as key major projects nearing completion.

The SBTi-supported target of the company aims to reduce its Scope 3 emissions by 20% in absolute terms (tCO<sub>2</sub>e) by 2030. In 2024, reductions of 62% have been achieved compared to the base year.

Following the target emissions, we project that scope 1 and 2 emissions will decrease over the next five years to 1,574 tCO<sub>2</sub>e, representing a 33.62% reduction. Our scope 3 emissions are projected to decrease to 137,706 tCO<sub>2</sub>e by 2029, representing a 18.89% reduction. Progress against these targets can be seen in the graphs below for the most recent years.



We are enhancing carbon measurement and working with our industry partners to accurately report further scope 3 data. By collaborating with supply chain partners, we are developing tools to better track embodied carbon in materials and products. Our re-baselining exercise will reflect sector improvements in scope 3 reporting and include the new baselines and reduction targets to be validated by SBTi in 2025.

## 4. Carbon Reduction Projects

The following environmental management measures and projects have been completed or implemented since the 2009 scope 1 and 2 and 2012 scope 3 baselines up to 2024 for the UK and Ireland. The carbon emission reduction achieved by these schemes equate to 107,218 tCO<sub>2</sub>e for scope 1,2, and 3 emissions, a 62% reduction against the respective baselines.

We have developed and implemented Carbon Reduction Initiatives to reduce emissions of our parent company Ferrovial and our Ferrovial Construction UK & Ireland operations which will be implemented on all contracts:

- **Enhanced Sustainability Governance:** The UK Sustainability Committee is made up of the company's senior leadership team (SLT) and discipline leads within the strategy, supported by SLT Sponsors to ensure integration of the strategy into delivery.
- **Certified Management Systems** for environmental, energy, and carbon to continually improve our performance year on year:
  - Ferrovial Construction has been certified to ISO 14001:2015 Environmental Management Systems since 2013 and ISO 50001:2018 Energy Management Systems since 2015.
  - Ferrovial Construction achieved SGS Zero Waste certification in 2024.
  - Ferrovial Construction (UK) achieved verification to PAS2080:2023 standard in September 2023, replacing its previous verification to PAS 2080:2016 in 2019.
- **Industry Commitments**
  - Appointed a CO2nstruct Zero Business Champion in 2021.
  - Gold signatory to the Supply Chain Sustainability School Plant Charter for two consecutive years.
  - Partner of the Supply Chain Sustainability School (SCSS) with company representatives on the school's climate action and social value groups.
- **Delivering training and awareness to upskill our workforce:**
  - Delivery of a two-tiered tailored learning plan for carbon management: PAS 2080 Carbon Awareness training and PAS 2080 Carbon Management training to all employees and the UK and Ireland senior leadership team.
- **Promotion of renewable sourced energy and energy efficient offices:**
  - Continued achievement of 100% REGO backed renewable energy for main offices and compounds since 2021, achieving our corporate target four years early.
  - Increased on site renewable generation including solar generator units and tower lighting.
- **Incorporation of energy efficiency and low carbon criteria in procurement and the use of less polluting fuels:**
  - Increasing the procurement of hybrid, electric, renewable, or hydrogen plant.
  - Continued use of Hydrogen generators on UK construction projects.

- Continued use of hydrotreated vegetable oil (HVO), as an interim solution to transition away from fossil fuel-based fuels in plant and machinery, including on our Thames Tideway Tunnel Central project and fully HVO plant on our Heathrow project.
- **Procuring locally sourced and lower carbon materials to reduce scope 3 emissions:**
  - Prioritising the use of cement replacements in concrete mixes, using high percentages of ground granulated blast furnace slag (GGBS) and fly ash.
  - Structures constructed using pre-cast low carbon mixes, reducing waste material vs insitu.
  - Ferrovia Low Carbon Concrete Community of Practice (COP) to research and trial low carbon concrete solutions and carbon sequestration technologies.
- **Incorporating the principles of the circular economy:**
  - Target of 95% non-hazardous waste diverted from landfill in the UK through the reuse of materials and waste, through Zero Waste certification, for example:
    - Excavated waste is reused as nature-based solutions or sent for beneficial reuse.
    - Crushing concrete to create new use cases.
    - Reuse of waste aggregates as construction materials.
- **Promoting sustainable transport:**
  - Transporting materials via lower carbon modes of transport, e.g., utilising the river Thames to transport via barges; using railheads to avoid HGVs on roads.
  - Implementing project sustainable travel plans, the UK Cycle to Work scheme, bicycle parking and storage, electric vehicle charging at offices and developing the company car policy for hybrid and electric vehicles.

**In the future we hope to implement further measures such as:**

- Enhancing sustainability criteria in supply chain contracts.
- Publishing the company car policy to specify the requirement for hybrid and electric vehicles.
- Addition of further company employee benefits such as the salary sacrifice scheme for hybrid and electric vehicles to support the reduction of commuting emissions.
- Further supply chain engagement including regular business meetings, upskilling, and trials.
- Continue trialling technologies including hydrogen, renewables, alternative fuels, and hybrids.
- Reviewing annual progress against the UK & Ireland climate roadmap.
- Trialling low carbon concretes with our supply chain partners and continuing involvement in the Ferrovia CCoP for low carbon materials.

## 5. Compensation

Ferrovial has set the goal of achieving net zero by 2050 for direct emissions by reducing emissions and voluntarily offsetting those that cannot be reduced. Our business areas and construction projects should identify solutions to avoid and reduce emissions as a priority with carbon offsetting always as a last resort. Compensation projects are included in our deep decarbonisation pathway to. Compensation is made through neutralization and mitigation beyond the value chain tackle hard to mitigate sectors by the mid-century, relying on nature-based solutions. The Ministry for Ecological Transition and the Demographic Challenge has awarded Ferrovial the highest recognition for its work in 'Calculate', 'Reduce' and 'Compensate' through the reforestation project Compensa. We also have voluntary compensation in renewable energy generation projects and nature-based solutions.



## 6. 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>4</sup> and uses the appropriate Government emission conversion factors for greenhouse gas company reporting<sup>5</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>6</sup>.

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:**

Date: 17/09/25

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<sup>4</sup><https://ghgprotocol.org/corporate-standard>

<sup>5</sup><https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting>

<sup>6</sup><https://ghgprotocol.org/standards/scope-3-standard>