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[1] 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[2] and Guidance[3], 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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[1] Bidding supplier or 'bidding entity' means the organisation with whom the contracting authority will enter into a contract if it is successful.

[2] 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

[3] 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

Carbon Reduction Plan

Supplier name: Ferrovial Construction (UK) Ltd.

Publication date: 15/05/2026

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 entities (Ferrovial Construction (UK) Limited, Ferrovial Construction (Ireland) Limited, and Infrasolutions Ltd). Ferrovial Construction UK & Ireland is part of Ferrovial SE (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 by Ferrovial Construction UK & Ireland when performing the Contracts.

Ferrovial undertakes carbon reporting as aligned to the calendar reporting cycle, 1st January – 31st December. The current reporting period covered by this plan is 1st January 2025 – 31st December 2025.

Methodology and Reporting

Ferrovial uses 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, with International Standard on Assurance Engagements 3410, “Assurance Engagements on Greenhouse Gas Statements” (ISAE 3410), issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC). Further detail on Ferrovial’s emissions calculation methodology and verification is available in the Ferrovial Climate Strategy 2025 and the Ferrovial 2025 Integrated Annual Report.

Commitment to achieving Net Zero

Ferrovial is committed to achieving net zero by or before 2050, in line with the Company’s Climate Strategy and Science based target initiative Net Zero Standard. Ferrovial has been auditing 100% of its greenhouse gas emissions from scope 1, 2, and 3 emissions 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 2025.

We continue to be recognised in the main sustainability indices in 2025: Ranked in the Dow Jones Sustainability Index (DJSI) for the last 24 years and recognised as the most sustainable infrastructure company globally; included in MSCI, Morningstar Sustainalytics, FTSE4Good and CDP (Carbon Disclosure Project). Additionally, ensuring transparency in response to the demands of Socially Responsible Investors (SRI) is one of our main priorities.

Ferrovial was the first infrastructure company globally to have its emission reduction targets verified by the Science-Based Targets Initiative (SBTi) in 2017. In 2025, we updated our emission reduction targets to align to the 1.5°C warming pathway, setting more ambitious near-term targets.

1. Baseline Emissions Footprint

Baseline Year: 2020 Calendar Year *(1st January – 31st December 2020)*	
Additional Details relating to the Baseline Emissions calculations.	
Ferrovial Scope 1, 2, and 3 emissions are aligned to a 2020 baseline. The covers all applicable subsidiaries within the Ferrovial operational group globally.	
Emissions (tCO_2e)	**Ferrovial Construction UK & Ireland**
Scope 1	**2,365**
Scope 2	**4,490**
Scope 3 Total (Included Sources) *	**60,311**
Purchased goods	54,007
Upstream transportation	2,745
Waste	1,466
Commuting	356
Fuel and energy related activities	1,083
End of life treatment	251
Business travel	402

Total Emissions	**67,166**

2. Current Emissions Reporting

Reporting Year: 2025 Calendar Year *(1st January 2025 – 31st December 2025)*	
EMISSIONS (tCO_2e)	**Ferrovial Construction UK & Ireland**
Scope 1	**299** (-87% vs 2020)
Scope 2	**0** (-100% vs. 2020)
Scope 3	**30,296** (-50% vs. 2020)
(Included Sources)	
Purchased goods	24,973
Upstream transportation	1,874
Waste	396
Commuting	2,111
Fuel and energy related activities	351
End of life treatment	286
Business travel	306
Total Emissions	**30,595 (-54% vs 2020)**

*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 are included within the Ferrovial baseline: Purchased goods and services (category 1, excluded from PPN06/21); fuel and energy related activities (category 3, excluded from PPN06/21); upstream transportation and distribution (category 4); waste generated in operations (category 5); business travel (category 6); employee commuting (category 9); and end-of-life treatment of sold products (category 12, excluded from PPN06/21). As per the PPN06/21 requirements, the Scope 3 category 9 'Downstream transportation and distribution' does not apply as Ferrovial does not sell products that are transported or stored.

3. Emissions reduction targets

Ferrovial Construction UK exceeded the company's previously set near-term emissions targets, reducing scope 1 and 2 emissions by 61% (target: 35.5%) against a 2009 base year and scope 3 emissions by 62% (target: 20%) against a 2012 base year.

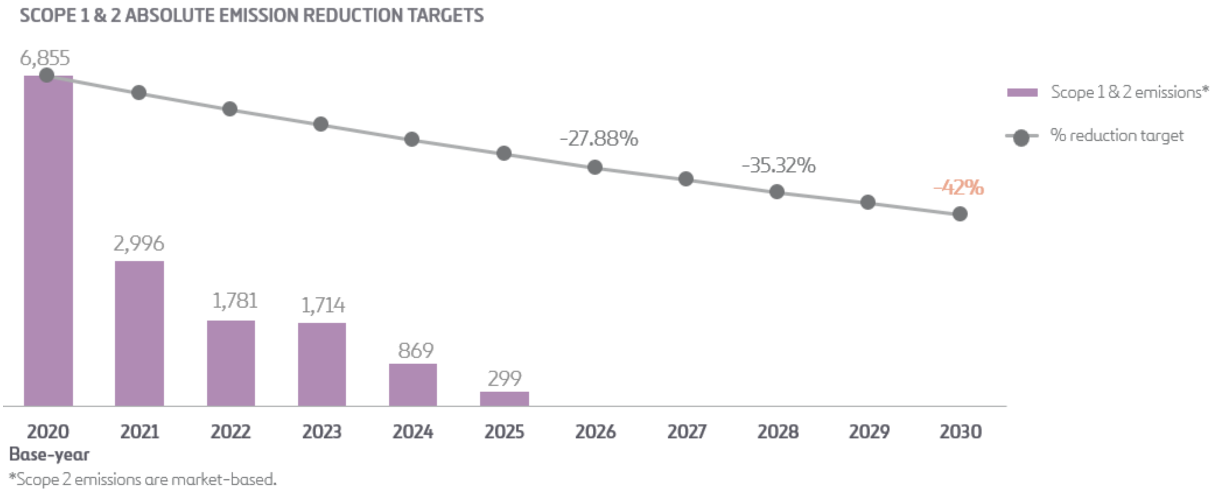
In 2025, Ferrovial established more ambitious emissions reduction targets and confirmed our commitment to net zero by 2050. These climate targets are validated by the SBTi and align with the 1.5°C warming pathway:

- Reduce scope 1 and 2 emissions by **42% by 2030** (against a 2020 base year)
- Reduce scope 3 emissions by **25% by 2030** (against a 2020 base year)

3.1 Performance against targets

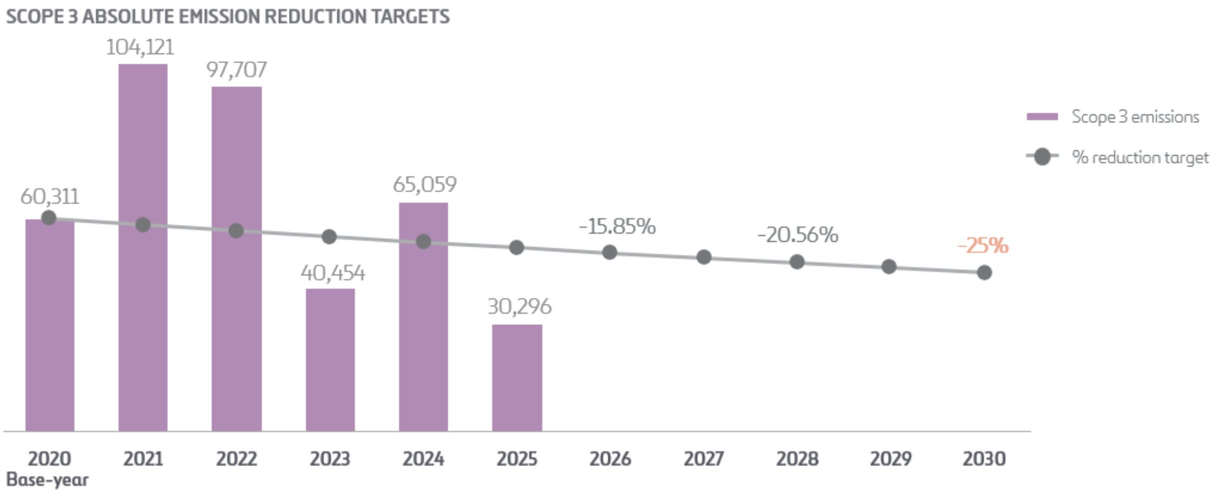
3.1.1 Scope 1 and 2 emissions reduction

Ferrovial Construction UK & Ireland achieved a 96% reduction in scope 1 and 2 emissions in 2025 against the 2020 base year, and a 66% reduction in emissions compared to 2024. This continues the downward trend, driven by our efforts to reduce the fossil fuel use from direct combustion activities. However, we expect Scope 1 and 2 emissions to increase before 2030 as construction activity increases across our future project portfolio.



3.1.2 Scope 3 emissions reduction

In 2025, Ferrovial Construction UK & Ireland reduced Scope 3 emissions by 50% compared with the 2020 baseline and by 53% compared with 2024. Scope 3 emissions have fluctuated with construction activity, with recent reductions mainly driven by the completion of major tunnelling projects. Purchased goods and services remain our largest carbon hotspot because concrete and steel are widely used across our infrastructure projects, although we have made significant progress in procuring lower-carbon alternatives from suppliers. Emissions from employee commuting and business travel have increased since 2020 as the UK business has grown.



4. Carbon Reduction Projects

The following environmental management measures and projects have been completed or implemented since the 2020 base year up to 2025 for the UK and Ireland. The carbon emission reduction achieved by these schemes equate **to 36,571 tCO_2e for scope 1,2, and 3 emissions, a 54% reduction against the baseline** and the measures will be in effect by Ferrovial Construction UK & Ireland operations which will be implemented on all contracts:

- **Enhanced Sustainability Governance:** Sustainability oversight is embedded in Ferrovial's corporate governance. The Ferrovial Sustainability Committee, with representatives from each business area, proposes strategic actions to the Management Committee to ensure decisions reflect stakeholder interests and expectations. In the UK, the Sustainability Steering Group, chaired by the Head of Environment and Sustainability and comprising the senior leadership team and project discipline representatives, embeds the strategy into operations and monitors progress against our targets.

- **Certified management systems:** Ferrovial is certified to ISO 14001 (since 2013); ISO 50001 (since 2015); PAS 2080 (since 2019); and SGS Zero Waste verification (since 2024), demonstrating continued performance improvement each year.

- **Promotion of renewable sourced energy:** We have secured 100% REGO backed renewable energy for all supplies of electricity since 2021, achieving our 2025 target early. Our projects implement renewables on site including solar tower lights, CCTV, and solar cabins.

- **Continued transition to electric vehicles:**
    - Published the Company Car Policy specifying the requirement for hybrid and electric vehicles in 2025. Ferrovial's company car fleet reduced from 93g/km average CO2 in 2024 to 36g/km CO2 average by 2026.
    - Launched the employee salary sacrifice scheme promoting hybrid and electric vehicles to support the reduction of commuting emissions.

- **Incorporation of low carbon criteria in procurement for scope 1 reduction:**

- Incorporated the mandated use of HVO in supply chain contracts on our projects.
- Increased the procurement of hybrid and electric plant and machinery.
- Continued use of hydrogen generators on UK construction projects.
- Increasing use of portable batteries for handheld tools, replacing petrol use.

- **Procuring locally sourced and lower carbon materials to reduce scope 3 emissions:**
    - The Ferrovial Low Carbon Concrete Community of Practice (COP) research and trial low carbon concrete and carbon sequestration technologies.
    - Projects use concrete mixes with high cement replacement (ground granulated blast furnace slag and fly ash), targeting 'A' and 'B' rated thresholds of the Low carbon Concrete Group routemap.
    - Structures using precast concrete with lower carbon mixes are prioritised over insitu.
- **Incorporating the principles of the circular economy:**
    - Ferrovial achieved the SGS Zero Waste certification in 2024. We achieved an additional compliance tick in 2025, demonstrating improvement in our processes.
    - Target of 95% non-hazardous waste diverted from landfill in the UK through the reuse of materials and waste, for example:
        - Excavated waste is reused as nature-based solutions or sent for beneficial reuse.
        - Onsite concrete is crushed to create new use cases.
        - Waste aggregates are reused as construction materials.
- **Promoting sustainable transport:**
    - Lower carbon modes of transport are prioritised where possible. We utilise the River Thames to transport materials and waste via barges; using railheads to avoid HGVs on roads; and opt for local suppliers to significantly reduce transport emissions.
    - Continuing the uptake of the UK Cycle to Work scheme, bicycle parking and storage, electric vehicle charging at offices, project car sharing scheme.

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

- Further develop supply chain engagement including tailored carbon training, upskilling and support measures.
- Identify additional projects to use hydrogen and renewable energy technology.
- Trial further low carbon concretes with our supply chain partners under the innovation partnership programmes and continuing involvement in the Ferrovial CCoP for low carbon materials.
- Revise and enhance environmental and sustainability standards for Ferrovial Construction UK & Ireland projects.

5. Compensation

Ferrovial has set the goal of reaching Net Zero emissions by 2050 or earlier as validated by the SBTi, with the commitment to reduce direct emissions as far as possible and voluntarily offset those that cannot be reduced. Ferrovial's offsetting approach complements the current climate strategy to acquire carbon credits from recognised quality standards, such as the VCS Standard and Gold Standard and reforestation projects. Offsetting is carried out through neutralisation and mitigation actions outside the value chain, with reliance on nature-based solutions. The Spanish Ministry for the Ecological Transition and the Demographic Challenge awarded Ferrovial in 2025 the highest level of recognition for its work in "Calculating", "Reducing" and "Offsetting". Ferrovial business areas and construction projects including those in the UK prioritise the avoidance and reduction of emissions, with carbon offsetting always as a last resort.

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[4] and uses the appropriate Government emission conversion factors for greenhouse gas company reporting[5].

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[6].

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:

ferrovial
construction

Digital Signature with Serial number:
E2 FF 36 C4 B2 D0 57 C8 D8 7F

Digitally signed by Chris Hall
DN: cn=Chris Hall, o=Ferrovial Construction, ou=Ferrovial Construction UK & Ireland, email=chall@ferrovial.com, c=GB
Date: 2026.05.21 12:28:25 +01'00'

Date: 19/05/2026

[4]https://ghgprotocol.org/corporate-standard
[5]https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting
[6]https://ghgprotocol.org/standards/scope-3-standard