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PPN 06/21:

Carbon Reduction Plan



Committing to Achieving Net Zero

Colas Rail UK Limited is committed to achieving Net Zero Greenhouse Gas (GHG) emissions by 2050 for all their UK Operations. In the medium term we have Science Based Targets (SBT) in place to reduce our Scope 1 & 2 GHG emissions by 46.5%, and Scope 3 GHG emissions by 30%, by the year 2030.

*Colas Group formally increased their SBTi emission reduction target to 46.5% (previously 30%) for Scopes 1&2 at the end of 2024 whilst Scope 3 remained the same at 30%.

*The following disclosure relates to the emissions resulting from all Colas Rail UK activities, and not those from Colas Ltd activities, who operate as a standalone business within the Highways industry.



Baseline Emissions Footprint

Baseline emissions are a record of the greenhouse gases that have been produced in the past and were produced prior to the introduction of any strategies to reduce emissions. Baseline emissions are the reference point against which emissions reduction can be measured.



Baseline Year - 2019

The baseline emissions are from our annual reporting to Colas Group France. The reporting system uses the GHG reporting protocol for calculating Scope 1 & 2 Emissions. As Scope 3 emissions were not accurately calculated at this in 2019; they were re-baselined based on the same procurement methodology being used in 2025.

Scope 3 categories shown for the 2025 reporting year are in accordance with the GHG Protocol - Corporate Value Chain Standard.

Emissions Reporting



| Baseline Year Emissions - 2019 | |
|--|----------------|
| Emissions | tCO2e |
| Scope 1 | 36,199 |
| Scope 2 | 1,591 |
| Scope 3* | 90,869 |
| Purchased Goods and Services | N/A |
| Capital Goods | N/A |
| Fuel and Energy Related Activities (not included in Scope 1 & 2) | N/A |
| Waste Generated in Operations | N/A |
| Upstream Transportation and Distribution | N/A |
| Employee Commuting | N/A |
| Business Travel | N/A |
| Downstream Tranportation & Distribution | N/A |
| Total Emissions | 128,659 |

| Reporting Year Emissions - 2025 | |
|--|----------------|
| Emissions | tCO2e |
| Scope 1 | 29,256 |
| Scope 2 | 267 |
| Scope 3 (included scopes) | 82,893 |
| Purchased Goods and Services ^{*1} | 72,205 |
| Capital Goods | 185 |
| Fuel and Energy Related Activities (not included in Scope 1 & 2) ^{*2} | 7,555 |
| Waste Generated in Operations | 176 |
| Upstream Transportation and Distribution | 1,653 |
| Employee Commuting | 1,023 |
| Business Travel | 96 |
| Downstream Tranportation & Distribution ^{*3} | 0 |
| Total Emissions | 112,416 |

*Scope 3 GHG emissions have been re-baselined based on our Procurement & Finance system calculation in 2024, by taking revenue change and inflation into consideration. This significantly reduced our baseline from the previous report. It is not possible to accurately split this data by the Scope 3 Categories.

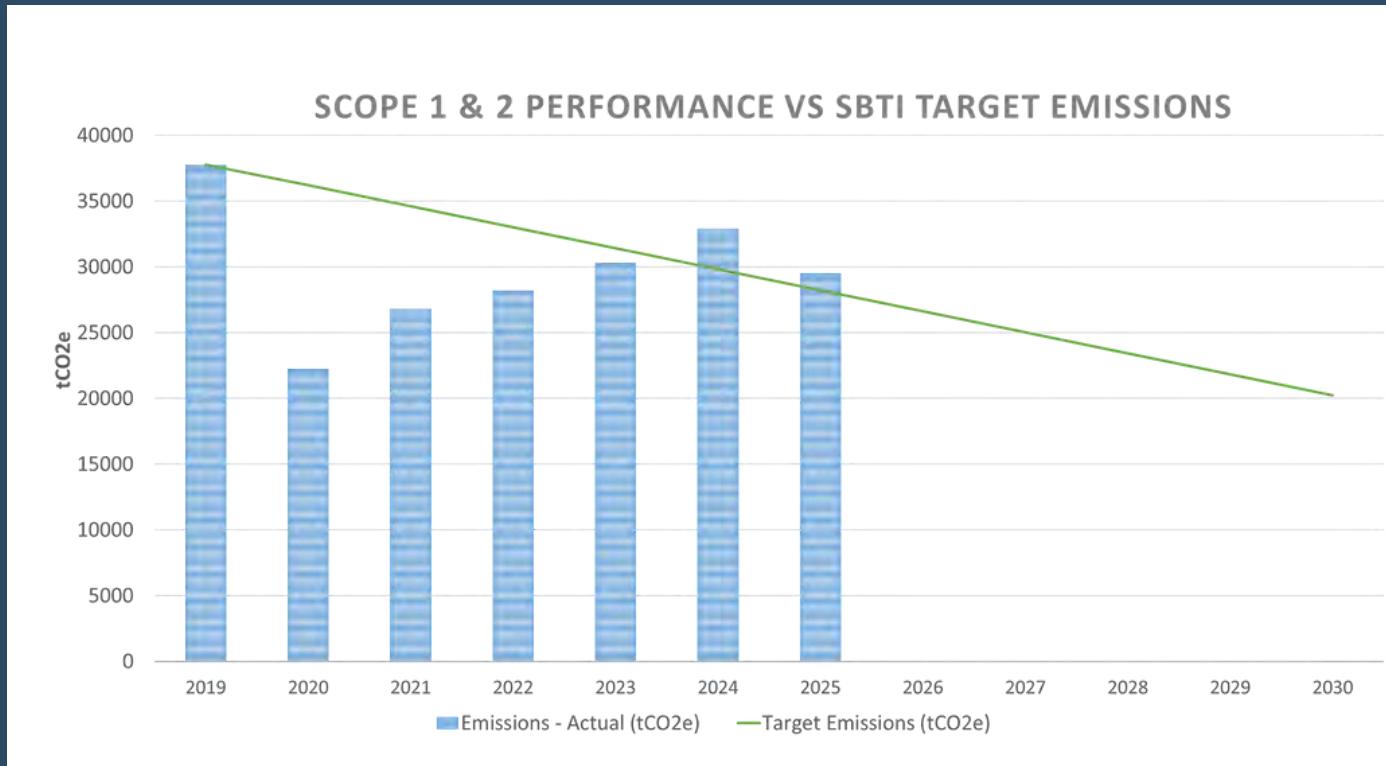
^{*1} Measured using our Procurement & Finance System Methodology which uses raised orders to measure physical quantities of goods, services and transport.

^{*2} This relates to the emissions from extraction, refining and transportation of raw materials used for fuel/electricity.

^{*3} Emissions for this category are assumed to be zero, as Colas Rail does not usually distribute products to customers through a 3rd party.

Measuring Progress

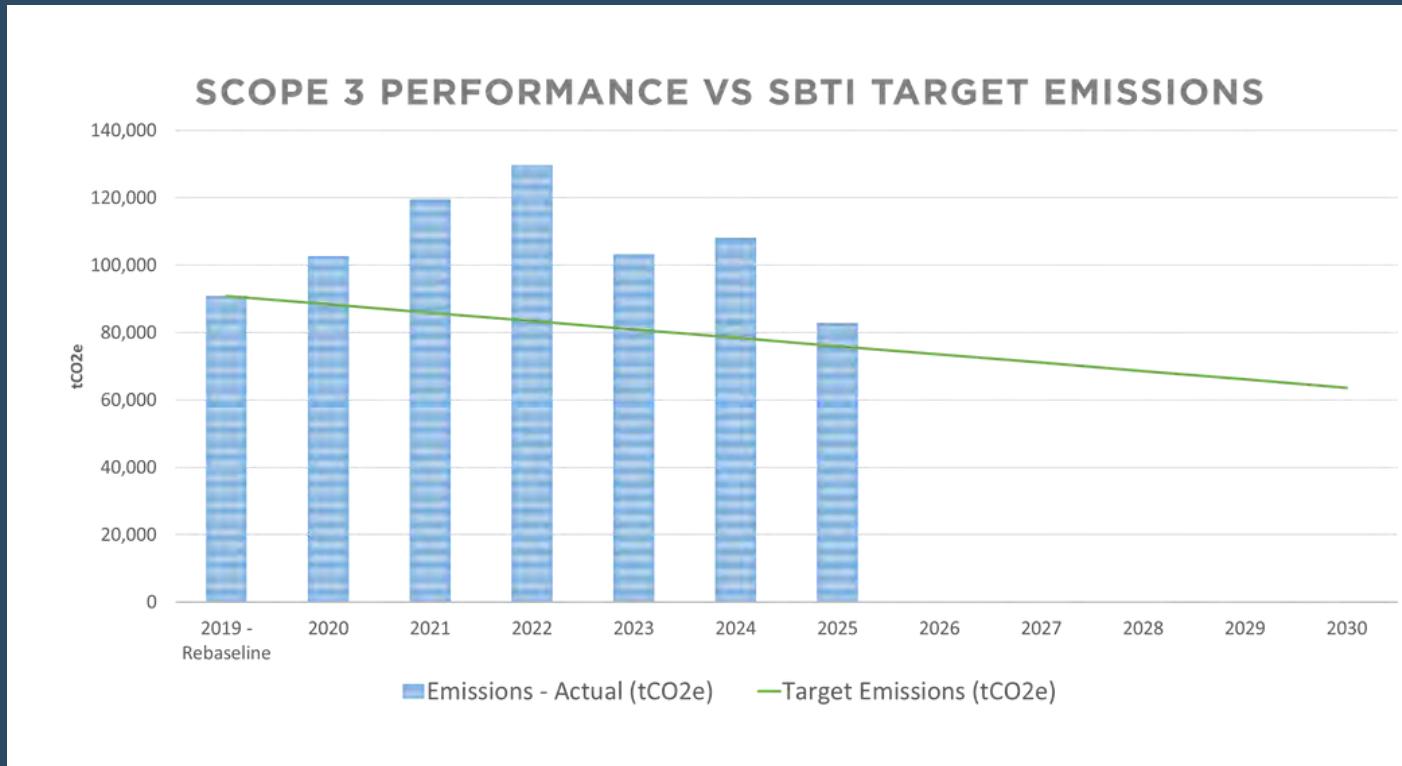
Colas Rail UK are signed up to the Science Based Targets initiative (SBTi) with fully validated targets of a 46.5% reduction in absolute Scope 1 and Scope 2 emissions by 2030.



- Despite still being slightly above the SBTi target trajectory line, we have seen a sizeable 10.4% reduction in Scope 1 & 2 emissions compared to the 2024 year. This approximately correlates to a total diesel consumption reduction of 9.8%.
- Some of this has shifted to Hydrotreated Vegetable Oil (HVO) which has increased by 36.6% compared to last year.
- There has been a shift to plug in hybrid petrol Vans (18%) which has seen a significant transition from road diesel to road petrol - further reducing emissions due to a lower emission factor.
- Furthermore, our freight service volumes has decreased this year which has led to further reduction but may only be temporary. Efforts to increase the HVO consumption in Freight and Plant, which are the biggest Scope 1 contributors, will be critical to combat the impact of business growth.

Measuring Progress (Cont.)

Colas Rail UK are signed up to the Science Based Targets initiative (SBTi) with fully validated targets of a 30% reduction in absolute Scope 3 (upstream) emissions by 2030.



- Despite the 2019 re-baseline exercise taking place this year which validated the accuracy of data but no doubt made the SBTi challenge much tougher, we have seen a very sizeable decrease of 23.4% in our Scope 3 emissions compared to the 2024 year.
- Much of this is due to extensive work with Procurement and Finance to continually improve the data accuracy.
- Furthermore, efforts in using of low carbon materials (e.g concrete) and work with supply chain have contributed to this.
- Scope 3 emissions account for approx. 74% of our total emissions and the major challenge will be to still reduce on an absolute scale despite some high impact projects commencing in the lead up to 2030,

Carbon Reduction Projects - Scopes 1 & 2

The following are some of the key carbon reduction initiatives that have been initiated in 2025 which focus on reducing our Scope 1 & 2 emissions:



Use of Sustainable “Alternative” Fuels

Whilst we believe that the long-term solution to decarbonisation will be in the form of electrification, with support from net zero fuels (e.g Synthetic e-fuels), the financial and infrastructure challenges make it unlikely that major progress will be made before 2030.



Our short-mid-term solution is therefore to run a proportion of services on alternative sustainable biofuels (such as HVO fuel). In 2025 we achieved our target of 6% of our total diesel equivalent fuel consumption using biofuels - achieving a carbon saving of 1414 tCO2e vs traditional diesel fuel. In 2026 we have a target to increase this even further to 10%.

FuelActive - Fuel Efficiency

FuelActive is a simple innovation that changes the way fuel is picked up from a fuel tank, picking up from a higher level rather than the bottom of the tank. This ensures cleaner fuel is sent to the engine creating more efficient combustion.



Following installations on all Rail Grinding and Milling fleet in 2024, In 2025 this has now been rolled out onto 20 Tamper Machines and 2 Locomotives. Fuel efficiency benefits of circa 7% are proven from the data we have on FuelActive thus far.

Carbon Reduction Projects - Scopes 1 & 2

The following are some of the key carbon reduction initiatives that have been initiated in 2025 which focus on reducing our Scope 1 & 2 emissions:



Best in Class Welfare

Over 2025 we have further increased the usage of Solar Powered Welfare to reduce the impact of off grid site emissions.

The SolGen system has been used to power sites on 10 of our Track Renewal Projects within the Infrastructure division. This has saved circ 118 tCO2e, but most importantly the fuel savings have proven to be sufficient to mitigate against the increased equipment hire costs. Therefore, these have now been mandated for every site (where space is sufficient) from late 2025.

Our Freight division also now use Eco Solar cabins at all of their depot sites which has led to savings of 48 tCO2e. These efforts along with focus on Solar Powered lighting and battery tools will stand us in good stead to completely remove fossil fuels from all site setups by 2028.

Engine Carbon Clean

Advanced Hydrogen Technologies (AHT) Engine Carbon Clean uses hydrogen to remove black carbon deposits and restore engines to manufacturer condition, improving combustion efficiency.

Funding was secured through our internal Innoboost competition to test the technology on two tamper machines in Q4 2025. Results are still being evaluated, but early indications show promising fuel and CO₂ reductions, supporting a potential business case.

Carbon Reduction Projects - Scope 3

The following are some of the key carbon reduction initiatives that have been initiated in 2025 which focus on reducing our Scope 3 emissions:



Low Carbon Concretes

Our Midland Metro Alliance (MMA) is the most civil focused work that we are currently doing, which also includes the construction of new concrete slab track for the tramlines. Throughout this project we have focused on using the lowest carbon concrete specifications available at the time. This includes fibre reinforced concrete slab track rather than steel reinforced slab track and 50-70% cement replacement mixes uses in many structures. In 2025 we saved approx. 884 tCO2e compared to traditional concrete mixes.

Low Carbon 'Green' Steel

On a track renewal project in Stoke Gifford, we installed the first batches of "Green" steel rail ever used in the UK Rail Network. We had previously led Network Rail towards purchasing this following learning from our operations in France where they have already been using green steel for rail sections. The rail profiles are exactly the same but it's down to the manufacturing process, using 100% scrap steel in an Electric Arc Furnace as opposed Blast Furnace Steel production. This offers a significant reduction of 65-70% in CO2 emissions and on this project alone gave a saving of 241 tCO2e.

Glass Reinforced Plastic (GRP) Temporary Tram Terminus

Seeking alternatives to traditional concrete and steel, the MMA selected a GRP composite solution for the Moor Street Queensway temporary tram stop in Birmingham City Centre. The lightweight easy to install design enables early route opening and delivers approximately a 72% reduction in CO2 emissions compared with a conventional concrete platform, saving 192 tCO2e on this project.

Carbon Reduction Enablers

The following key enablers are now in place to help us to achieve our key carbon reduction commitments:



- Our third Journey to Net Zero Supplier conference took place in 2025 in collaboration with our sister company Colas Ltd – with the highest supplier attendance yet, showing the increased engagement each year.
- For the first time at the conference we ran supplier awards, recognising and celebrating the achievements of suppliers that are leading the way in the journey to net zero.
- Significant improvements have been made to the Scope 3 carbon calculation through the collaborative efforts of the procurement and finance departments to validate the inputs and regularly review the outputs from the automated calculation.
- Carbon champions network is well established with representation from all business units – monthly carbon meetings.
- Carbon and Energy Reduction Plan updated as part of our ESG Strategy which covers our detailed commitments until the end of 2028.
- New Project Management Sustainability Course developed and run for the first time – roll out to all managers in 2026/2027.
- Planning for PAS 2080 certification to be achieved in 2026.

Key Short-Term Commitments

| Topic | 2026 | 2027 | 2028 |
|--|---|--|--|
| Reducing fuel consumption through improved efficiency | <p>FuelActive installed on remaining Tampers</p> <p>FuelActive installed on additional Class 66s and 37 Locomotives</p> <p>Engine Carbon Clean evaluated and if successful rolled out as part of planned maintenance activities</p> | <p>Technotion fuel monitoring systems rolled out to freight and plant (upon evaluation in 2026)</p> <p>FuelActive installations start on Class 70 locomotives</p> <p>Engine carbon clean integrated into freight maintenance</p> | <p>100% of all freight and plant to have an accurate fuel monitoring system installed</p> <p>Class 70s FuelActive installations completed</p> <p>100% of all Freight and Plant to have engine carbon cleans as part of planned maintenance</p> |
| Using alternative fuels | Increased use of alternative biofuels, such as HVO (10% in total) | Increased use of alternative biofuels, such as HVO (15% in total) | Increased use of alternative biofuels, such as HVO (20% in total) |
| Transition to Ultra Low Emission Vehicles | 50% of all Vans to be PHEV | 80% of all Vans to be PHEV | 100% of all Vans to be PHEV |
| Removing fossil fuels from our sites | All suitable sites to be powered using Solar (or mains electricity) as the primary power source | Ensure all Welfare Setups achieve an EPC rating of A or above | 100% of sites to be fossil fuel free (excluding complex supply chain machines) |
| Low carbon by design | <p>Work with procurement to develop and investigate supplier options for low carbon steel/rail on major upcoming project works</p> <p>Investigate potential options for low carbon cables on HS2 OCS works</p> | Low Carbon Options for major projects agreed with client | All low carbon material options embedded into major project delivery |
| Improved carbon measurement and accounting | <p>PAS 2080 certification achieved</p> <p>New Whole Life Carbon Assessment Tool rolled out</p> | <p>Full set of accurate Carbon emission factors fully embedded into JADE procurement system</p> <p>Increased granularity added to procurement categories to further validate and improve the accuracy of Scope 3 reporting</p> | Scope 3 Carbon Reporting is externally validated as “best in class” with minimal further improvement required |

Declaration and Sign Off

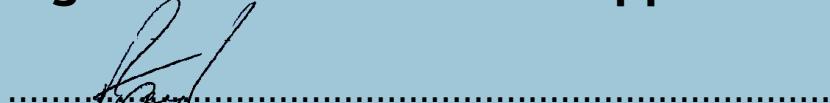
This Carbon Reduction Plan has been completed in accordance with PPN 06/21 and associated guidance and reporting standard for Carbon Reduction Plans.

Emissions have been reported and recorded in accordance with the published reporting standard for Carbon Reduction Plans and the GHG Reporting Protocol corporate standard and uses the appropriate Government emission conversion factors for greenhouse gas company reporting.

Scope 1 & 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.

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: 31/12/2025

Appendices

- <https://ghgprotocol.org/corporate-standard>
- <https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting>
- <https://ghgprotocol.org/standards/scope-3-standard>

Contact Us

If you have any questions or require any further information, please get in touch with our Sustainability team at cruksustainability@colasrail.com