

Workforce Engagement Director: terms of reference

1. Background

The workforce of Costain Group plc (the **Company**) is critical to the success of the Company and is the Company's key asset, differentiating the Company from its competitors.

Against this background, the Company's Board (the **Board**) acknowledges the importance of understanding views of employees and the wider workforce and considering their interests in Board discussions and decision-making.

Following a review of Board workforce engagement mechanisms, and in accordance with one of the methods suggested in the Corporate Governance Code, the Board has determined to designate a Workforce Engagement Director (**WED**) as a means of ensuring that the perspective of the Company's workforce is understood and considered in Board discussions and decision-making. The WED will be appointed by the Board, on recommendation from the Nomination Committee, from amongst the non-executive directors of the Company and, as such, has the same statutory and regulatory responsibilities as all other directors.

2. Role of the WED

The WED shall bring the views of the Company's workforce to Board discussions and decision-making, having obtained a balanced understanding of the issues and concerns.

The WED is expected to engage with the Company's employees and the wider workforce in a number of ways, most likely but not limited to the following:

- A) On pre-arranged site visits of the Company's or joint venture project sites and/or offices;
- B) If not already provided to the Board, by receiving a detailed briefing on the results of the Company's annual engagement survey, including targeted actions to be taken to address feedback;
- C) via 2-way dialogue with the Company's Chief People & Sustainability Officer (**CPSO**).

The WED will provide observations from the above (as he/she sees fit) to the Company's CEO and CPSO and (as appropriate) to the Board.

The WED will be provided with quarterly information on the employee and wider workforce engagement activities undertaken by other non-executive directors including any feedback from those activities.

3. What is outside of the WED role

The WED's role does not:

- A) include involvement in the Company's whistleblowing procedures;
- B) act as a substitute for all Board members engaging with the Company's workforce ; or
- C) extend to matters that are appropriately dealt with by the Company's People function or Executive Board members.

4. Reporting & Review

In the Company's Annual Report, the role of the WED will be described, along with an overview of the workforce engagement activities undertaken by the WED and other Board members during the relevant year and any actions taken to address key findings.

The effectiveness of the WED role (as to whether it is the best method of engaging with the Company's workforce) will be reviewed by the Nomination Committee on an annual basis.

The WED terms of reference will be reviewed by the Board at the time of the annual review of the Matters Reserved for the Board and terms of reference for Board Committees.