



SUSTAINABLE PROCUREMENT AND SUPPLY CHAIN POLICY

This policy sets out the Costain's commitment to sustainable procurement and supply chain management that drives value creation, risk mitigation, and positive impact across our operations. As a leading infrastructure delivery partner, we recognise that our supply chain represents both our greatest opportunity and responsibility to deliver sustainable outcomes that support our 3 business outcomes, namely:

- Creating a prosperous UK;
- Creating a more resilient UK; and
- Decarbonising the UK.

These align with the UK Government's 10-Year Infrastructure Strategy and our clients' net-zero and social value commitments.

We are committed to embedding sustainability throughout our procurement processes using best in class procurement foundations aligned with ISO20400, creating resilient supply chains that deliver exceptional value while contributing to national infrastructure goals, economic growth, and societal wellbeing. This policy positions sustainable procurement as a strategic enabler of our business growth, operational excellence, and positive legacy creation.

Environmental

Responsible management of natural resources and environmental impact

Carbon Leadership – We will undertake a comprehensive supply chain assessment to quantify the carbon emissions and work towards emission reductions of the goods and services we procure

Water Stewardship - We will map and reduce water consumption across our supply chain, prioritising water-intensive categories and operations in water-scarce regions.

Resource efficiency - We will embed resource efficiency principles, through the development of comprehensive waste reduction and circularity programs including materials, water, energy and fuel waste streams, maximising material recovery value and designing out waste across all prioritised procurement categories.

Nature Positive Impact - We will implement nature-positive requirements for environmentally impactful categories, ensuring our supply chain identifies and contributes to biodiversity protection and ecosystem enhancement.

Social Value

Delivering positive outcomes for people and communities

Skills Development - We will establish workforce development programs across our supply chain, supporting apprenticeships, training initiatives, and career progression opportunities that address industry skills shortages and create pathways to sustainable employment.

Equality and Diversity - We will promote inclusive employment practices and workplace equality throughout our supply chain, working with suppliers to create environments where all individuals can thrive regardless of background, identity, or circumstance.

Workforce Wellbeing - We will champion comprehensive wellbeing standards that protect and enhance the physical and mental health of all workers across our supply chain, creating safe, supportive working environments that prioritise human welfare.

Modern Slavery Prevention - We will implement robust risk assessment and mitigation programs to prevent modern slavery and human trafficking across high-risk supply chain tiers, working proactively with suppliers to identify and eliminate these practices.

Supply chain resilience

Business Owner: Procurement and Supply Chain Director



Building adaptive, robust supply chains for long-term success

Diverse Supply Chains - We will actively engage with diverse suppliers including minority-owned, women-owned, and disability-led enterprises, creating inclusive procurement opportunities that enhance supply chain resilience and reflect the communities we serve.

Local and SME Support - We will identify opportunities to work with local suppliers and SMEs to support regional economic development, community prosperity and supply chain resilience and responsiveness. Where direct engagement is not feasible, we will engage our Tier 1 supply chain partners to identify opportunities to apply the same principles in their sourcing and subcontracting activities

Enabling Commitments

To embed this policy across our procurement and supply chain activities, we will:

Integrate Risk, Impact, and Prioritisation

Assess and prioritise sustainability risks and opportunities within the supply chain ensuring embed the most suitable procurement methods and interventions aligned with our sustainability objectives.

Embed Sustainability in Supplier Relationship Management (SRM), Category Management and Procurement Processes

Ensure that agreed sustainability impacts are actioned via:

- The SRM lifecycle, including supplier onboarding, due diligence, segmentation, contract management, performance monitoring, supplier development, and strategic partnerships.
- Category management, identifying key sustainability impacts and utilising the category management process to leverage the best mitigation or opportunity strategies.
- The Gate 3 process, using balanced scorecard approaches to identify and deliver on relevant sustainability requirements during operational procurement activities.

Foster Innovation and Collaboration

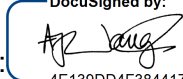
Actively encourage and leverage innovative solutions, knowledge-sharing, and collaborative approaches across our supply chain and procurement processes to maximise sustainable outcomes.

Ensure Transparency and Accountability

Maintain robust measurement, monitoring, and reporting across all enabling streams and sustainability commitments, ensuring responsiveness and clear communication with stakeholders.

This policy reflects the Board of Costain's commitment to creating a sustainable future through responsible procurement practices that deliver exceptional value for our clients, our people, our communities, and our environment.

This policy is supported by our Supplier Code of Conduct, Modern Slavery & Human Trafficking, and Social Value policies, reinforcing our comprehensive approach to sustainable and responsible procurement

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A Vaughan (Chief Executive Officer)

Business Owner: Procurement and Supply Chain Director