



**Costain Group PLC**  
**Sustainability Committee - Terms of Reference**

**1. Definitions**

In these Terms of Reference:

references to **"the Board"** shall mean the board of directors of the Company;

references to **"the Chair of the Committee"** shall mean the Chair of the Sustainability Committee;

references to **"the Chair of the Company"** shall mean the Chair of the Company;

references to **"the Chief Executive Officer"** shall mean the Chief Executive Officer of the Company;

references to **"the Chief Financial Officer"** shall mean the Chief Financial Officer of the Company;

references to **"the Code"** shall mean the 2024 UK Corporate Governance Code (as amended from time to time);

references to **"the Committee"** shall mean the Sustainability Committee;

references to **"the Company"** shall mean Costain Group PLC;

references to **"directors"** means the directors of the Board;

references to **"executive directors"** shall mean those members of the Board who are executive directors; and

references to **"non-executive directors"** shall mean those members of the Board who are non-executive directors.

**2. Role**

The Sustainability Committee supports the Board in providing additional challenge and input in connection with delivery of our sustainability programme, as more specifically detailed in section 10. It ensures that objectives, metrics and policies related to sustainability are appropriate, reported transparently and reviewed regularly in line with all statutory requirements. The Committee also supports the Audit & Risk Committee in its review of emerging and existing risks relating to sustainability.

### **3. Membership**

- 3.1 The Committee shall be appointed by the Board, on the recommendation of the Nomination Committee, and shall comprise the Chair of the Committee and a minimum of two other Board members.
- 3.2 The Chair of the Company may not be the Chair of the Committee.
- 3.3 The Board should appoint the Chair of the Committee, who shall be an independent non-executive director. In the absence of the Chair of the Committee and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting from those who would qualify under these Terms of Reference to be appointed to that position by the Board.
- 3.4 Appointments to the Committee shall be on the recommendation of the Nomination Committee and in consultation with the Chair of the Committee.
- 3.5 Appointments shall be for a period of up to three years. This period may be extended for two additional periods of up to three years, provided members (other than the Chair of the Company, if they are a member of the Committee) continue to be independent.
- 3.6 The Committee may ask or invite other individuals, such as the Chief People and Sustainability Officer, Group Corporate Responsibility Director, other directors and external advisers or any other person, to attend for all or part of any Committee meeting as and when appropriate.

### **4. Quorum**

The quorum necessary for the transaction of business of the Committee shall be two members. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

### **5. Secretary**

The Company Secretary, or their nominee, shall act as the Secretary of the Committee ("**the Secretary**"). The Secretary shall ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to the issues.

### **6. Frequency of Meetings**

- 6.1 The Committee shall meet at least twice a year and at such other times as the Chair of the Committee shall require.
- 6.2 Subject to paragraph 6.1 above, the Committee (as a guide) shall meet in the following months.
- (A) May; and
- (B) November.

## **7. Notice of Meetings**

- 7.1 Meetings of the Committee shall be called by the Secretary at the request of the Chair of the Committee or any member of the Committee.
- 7.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Committee and to any other person required to attend, on reasonable notice and no fewer than three working days prior to the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees, as appropriate, at the same time.

## **8. Minutes of Meetings**

- 8.1 The Secretary shall minute the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance.
- 8.2 Draft minutes of Committee meetings shall be circulated to all members of the Committee promptly. Once approved by the Committee, minutes of the Committee meeting should be circulated to the members of the Committee, other members of the Board and to the Company Secretary, unless, exceptionally, it would be inappropriate to do so.

## **9. Engagement with shareholders**

The Chair of the Committee shall attend the Annual General Meeting of the Company and be prepared to respond to any shareholder questions on the activities of the Committee.

## **10. Duties**

The Committee shall carry out the duties detailed below for the Company, its subsidiary undertakings and the group as a whole, as appropriate. The Committee shall:

- 10.1 Advise the Board on the Company's sustainability programme, including its alignment with the Company's strategy and key risks and opportunities, so as to support the Company's long-term success;
- 10.2 Endorse (for approval of the Board) the Company's:
- (A) Sustainability programme;
  - (B) Net Zero targets;
  - (C) Climate Change Action Plan;
  - (D) Climate Transition Plan;
  - (E) EDI Plan;
  - (F) Nature Positive Plan;
  - (G) Social Value Plan: and

(H) Sustainable procurement plan,

and any material changes thereto;

- 10.3 Review Group Risks 19 (Climate Change Resilience) and 20 (Meeting our Sustainability Targets) on a periodic basis and advise the Board on whether the Company is effectively mitigating these risks;

*Regulatory disclosures*

- 10.4 The committee shall advise the Board on the compliance status of Costain's sustainability disclosures;
- 10.5 Review (and endorse for approval by the Board) the content, integrity and completeness of any external statements and disclosures about sustainability activity, targets and progress (including those sections of the Annual Reporting relating to ESG, carbon emissions, TCFD reporting and the Company's gender/ethnicity pay gap);
- 10.6 Approve the annual Sustainability Report, Gender/Ethnicity Pay Gap Report and Modern Slavery Report;
- 10.7 Review proposals for any significant changes to the Company's policies and procedures in connection with any sustainability-related matters and advise the Board on the anticipated effectiveness of such changes;

*Social value*

- 10.8 Review reports from management in connection with the Company's community activities and social value and advise the Board on the effectiveness of the Company's investment in such activities;

*Horizon Scanning*

- 10.9 Identify current and emerging issues, standards, good practice and regulatory or legislative developments in connection with health & safety, sustainability, waste management, energy usage and carbon emissions and advise the Board on how these are likely to impact the Company's strategy, operations and reputation and the risks and opportunities relating to same;

*Reporting*

- 10.10 Review reports from management on the progress of the plans listed in paragraph 10.2 (which includes the Company's progress to its net zero targets) and advise the Board on such progress and any corrective action and its effectiveness; and
- 10.11 Review the Company's KPI dashboard ('People' and 'Planet' section) and advise the Board on any management action in relation to same.

**11. Reporting Responsibilities**

- 11.1 The Chair of the Committee shall report to the Board on its proceedings after each meeting on the nature and content of its discussion, recommendations and actions to be taken.
- 11.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed, and adequate time should be available for Board discussion when necessary.

**12. Authority**

- 12.1 The Committee is a committee of the Board from which it derives its authority and to which it regularly reports.
- 12.2 The Committee has delegated authority from the Board in respect of the functions and powers set out in these Terms of Reference. The Committee may sub-delegate any or all of its powers and authority as it sees fit, including, without limitation, the establishment of sub-committees to analyse particular issues or themes and to report back to the Committee.
- 12.3 The Committee has authority to investigate any matters within its responsibilities and to obtain such information as it may require from any director, officer or employee of the group.
- 12.4 In connection with its duties, the Committee is authorised by the Board to obtain, at the Company's expense (within any budgetary restraints imposed by the Board), any external legal or other professional advice, and to commission or purchase any reports, surveys or information which the Committee deems necessary, on any matters set out in these Terms of Reference.

**13. Other matters**

The Committee shall:

- 13.1 have access to sufficient resources in order to carry out its duties, including being provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members and access to the Company Secretary for advice and assistance as required; and
- 13.2 ensure that a periodic evaluation of its own performance is carried out and, at least annually, review its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

**CHAIR**

**6 NOVEMBER 2025**