



Nature Positive Plan Summary

Costain's transition towards Nature Positive

Together we
shape, create, deliver

March 2026

This document provides a summary of our Nature Positive Plan. Our full plan and assessment, aligned with the Science Based Targets Network (SBTN) Guidance is available separately.

Our business

Creating a sustainable future

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Costain has been improving people's lives for more than 160 years by creating connected, sustainable infrastructure that enables people and the planet to thrive. We deliver engineering solutions via long-term strategic partnerships with customers across their asset lifecycle in our chosen markets of transport, water, energy and defence. Costain are creating a sustainable future by securing a more prosperous, resilient and decarbonised UK.

Being a responsible business, a trusted employer and community partner, and safeguarding our planet's future are fundamental principles that guide Costain. They shape how we deliver on our purpose to improve people's lives and our vision to create a sustainable future. This approach is underpinned by our core values: integrity, customer focus, safety and wellbeing, and environmental and social responsibility.

“ Our ambition is to decarbonise Costain, achieving net zero for all our emissions and drive the decarbonisation and climate resilience of UK infrastructure, while positively contributing to nature's recovery. ”

Alex Vaughan
Chief executive officer



Foreword

Our commitment to nature

“Nature Positive for Costain means delivering infrastructure that minimise ecological harm and enhances biodiversity by working collaboratively with our customers to develop, design and construct solutions that achieve lasting outcomes for nature. It also recognises our indirect impacts through the materials we procure and the practices we influence across our supply chain.”

We are proud to launch our Nature Positive Plan, a key part of our Sustainability Programme. This plan reflects a period of focused development, during which we’ve deepened our understanding of Costain’s impacts and dependencies on nature.

It reflects our commitment to following the latest science, emerging best practices, and evolving tools to contribute to the protection and restoration of nature. In line with the Dasgupta Review’s¹ call to recognise nature as our most valuable asset, we are committed to managing our environmental impact responsibly and contributing to a nature-positive future.

We recognise the deep connection between nature loss and climate change, and in response we are integrating our plans for our future Climate Transition Plan. Bringing together mitigation, adaptation, and nature-based solutions we will build a nature-positive, decarbonised future.

This Plan sets out three core commitments:

1. Developing our capability to promote and integrate Nature-Based Solutions into infrastructure projects
2. Rigorously applying mitigation and Biodiversity Net Gain hierarchies across projects
3. Assessing and acting on nature and biodiversity impacts within our supply chain and reporting transparently

These form the focus for our nature strategy, embedding nature recovery across operations, supply chains, and infrastructure delivery. By working collaboratively, we aim to reshape how infrastructure is planned and built, placing nature at the heart of resilient, long-term value creation.

Catherine Duffy

Chief People and Sustainability Officer



¹ Dasgupta, P. (2021). The Economics of Biodiversity: The Dasgupta Review. London: HM Treasury



Our environmental and climate plans

Creating a sustainable future through low-carbon and nature positive infrastructure

Our Nature, Decarbonisation, and Climate Resilience Plans core elements of Costain's Sustainability Programme. Together, these interconnected strategies guide how we work with our customers to accelerate the shift not only to net zero, but towards a regenerative, nature-positive and climate-adaptive economy that delivers long-term value for people, nature, and society.

We must take a collaborative approach, working with our customers to optimise solutions that achieve the best possible sustainability outcomes. Within our customers' decision-making frameworks, we will embed nature-positive principles, enhance ecological connectivity, integrate nature-based solutions, and deliver best practice in biodiversity net gain.

Our plans explained



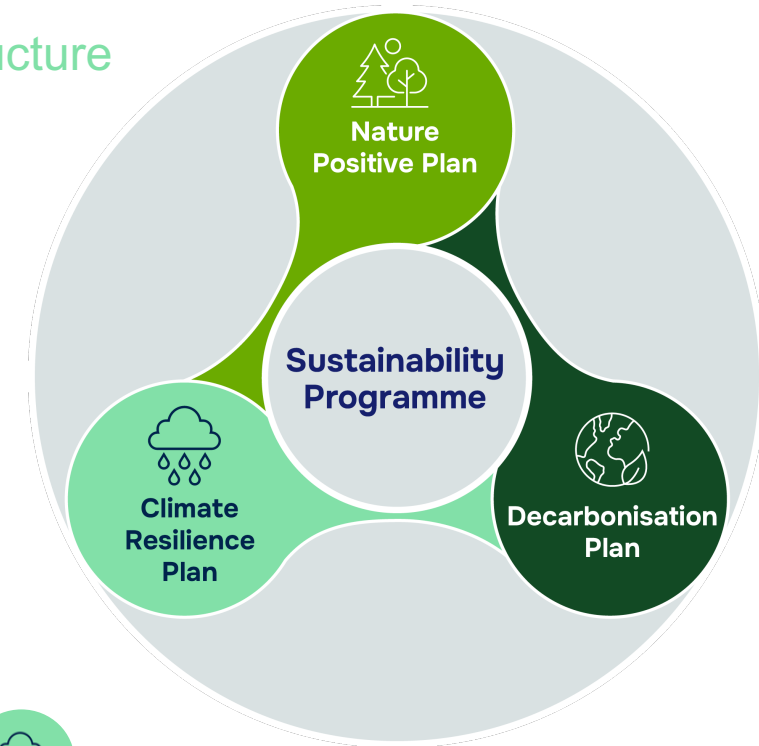
The **Decarbonisation Plan** defines our route to net zero by embedding low-carbon, circular and resource-efficient approaches into design, production thinking, procurement and decision-making, enabling sustainable low carbon solutions for clients.



The **Nature Positive Plan** sets out how our nature-positive commitments will be delivered through collaboration with customers to minimise harm and enhance biodiversity. Our approach will evolve to reflect our growing understanding of nature and indirect supply chain impacts.



The **Climate Resilience Plan** details how we manage the risks and opportunities of climate change across our business, embedding mitigation and adaptation into design, commercial, procurement and delivery solutions to ensure long-term resilience.

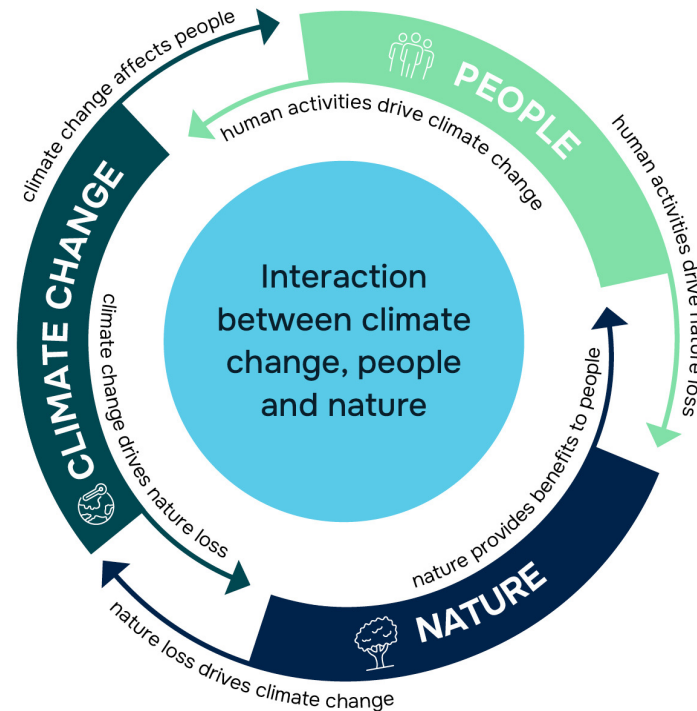


Nature and climate

The inextricable link between climate change and nature

Climate change and nature are deeply interconnected. The degradation of natural ecosystems accelerates climate change, while climate change in turn disrupts the delicate balance of those ecosystems. Forests, wetlands, oceans, and soils are not only vulnerable to climate impacts they are also vital allies in regulating our climate through carbon storage and resilience-building.

At Costain, we recognise that climate action and nature recovery go hand in hand. Our Decarbonisation Plan focuses on reducing emissions across our operations and value chain, while our developing Climate Resilience Plan ensures our infrastructure and the natural systems, we rely on can withstand and recover from climate impacts. Nature is integral to both, supporting mitigation, adaptation, and regeneration, and underpins our commitment to a nature-positive, climate-resilient future.



The relationship between climate, nature and people
(Source: WWF. Graphic adapted for illustrative purposes)



In partnership National Highways, Costain and the Lancashire Wildlife Trust, has transformed a 34-hectare former opencast mine into the Sandyforth Green Gateway. This initiative serves as an environmental legacy of the M6 motorway upgrade.

Key ecological measures include:

- Habitat Creation: Seeding 24 hectares of species-rich grassland and 4 hectares of woodland flora.
- Wetland Development: Constructing seven new ponds to boost biodiversity and lock up carbon.
- Nature Connectivity: Rewilding the site to create a vital "stepping stone" for native wildlife.



Nature positive

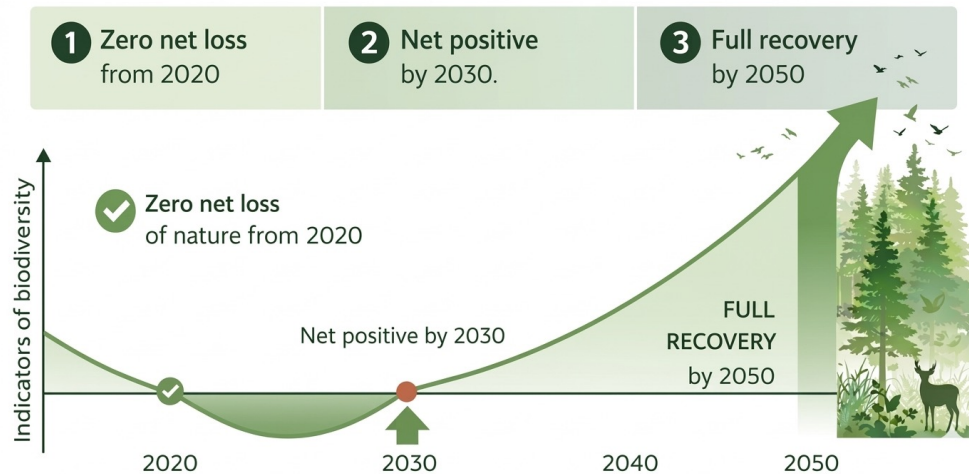
What it means to us and our scope

Nature positive is a global goal set by the Global Biodiversity Framework (GBF) to halt nature loss by 2030 (from a 2020 baseline) and achieve full ecosystem recovery and stability by 2050.

For organisations, being nature positive means contributing to this global goal by reducing harm and delivering measurable positive impacts across the entire value chain. Costain is committed to doing so through responsible management of our direct operations and by collaborating with customers to influence upstream and downstream activities (see Appendix 2). We will transparently demonstrate progress and continue to strengthen our approach over time.

Our strategy is guided by the Science Based Targets Network (SBTN) and the Taskforce on Nature-related Financial Disclosures (TNFD). Nature governance will be embedded within existing and new decision-making bodies, with oversight from the Board and Management.

Global goal for nature: Nature positive by 2030



Source - Figure adapted from Figure 1 in Locke et al. (2020) A Nature-Positive World: The Global Goal for Nature

Nature positive for Costain means

- 1. Reducing harm to nature in our direct operations**
Minimising disruption to habitats and ecosystems through responsible construction practices and implementing the mitigation hierarchies.
- 2. Enhancing nature and biodiversity through design**
Influencing customers and concept design to consider smart nature-based solutions, and incorporate biodiversity net gain principles, and ecological enhancements.
- 3. Supporting long-term customer outcomes**
Collaborating with customers to embed nature-positive principles into planning and delivery, even where land ownership and long-term stewardship are outside Costain's remit.
- 4. Influencing value chain impacts**
Acknowledging and actively addressing the nature impacts of sourcing materials through sustainable procurement and using Costain's position in the value chain to promote nature-positive thinking across partners, suppliers, and customers.
- 5. Disclosing and reporting nature risks and progress**
Reporting transparently against frameworks such as TNFD to disclose nature-related risks, dependencies, and performance, integrating with climate where synergies exist.

Our priorities

What we will do to deliver for nature

Costain is embedding nature into project delivery to reduce ecological harm, enhance biodiversity, and improve transparency across our operations and supply chain. Our evidence-based approach aligns with global standards and national priorities. **The following priorities provide a foundation to work with our customers fully integrate nature into infrastructure delivery:**

By 2026



1. Embed the mitigation hierarchy and Biodiversity Net Gain (BNG) principles across all projects, driving consistent application and continuous improvement.



Outcome

Reduced impacts on nature and stronger, more consistent biodiversity outcomes across project delivery.

By 2027



2. Build our capability to influence, lead, and champion Nature-Based Solutions (NbS) with customers from the earliest stages of project development, integrating them into design and decision-making.



Earlier and wider adoption of NbS, delivering more effective and scalable nature-positive solutions.



3. Assess nature and biodiversity impacts within our supply chain, prioritising high-impact commodities, and improve transparency through disclosures aligned with TNFD and UK Sustainability Reporting Standards (SRS).



Clearer understanding of supply chain nature risks and impacts, supporting more responsible sourcing and informed decision-making.



As part of the new dual carriageway between Chiverton and Carland Cross, Costain has built the Marazanvose Bridge, an innovative green bridge that improves road safety and strengthens ecological resilience.

This vegetated crossing reconnects habitats, enabling safe passage for wildlife, horse riders, and pedestrians. By linking fragmented ecosystems, it supports biodiversity and healthier species populations.

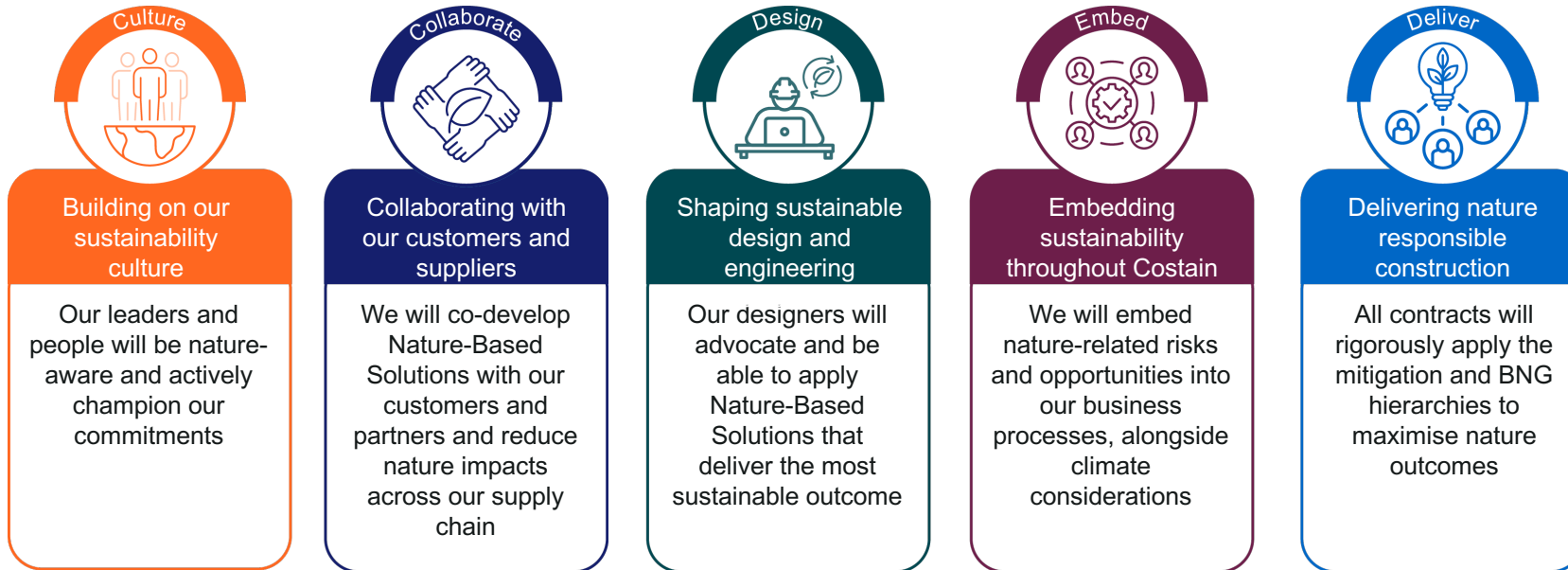
The bridge exemplifies nature-inclusive infrastructure, reducing habitat severance and contributing to Cornwall's wider green infrastructure network.



How we will deliver for nature

Our Sustainability Foundations

To deliver meaningful and measurable sustainability outcomes, we have built our approach on five sustainability foundations. Our nature and climate targets and commitments are driven by these foundations which guide how we think, plan, and act across all projects and partnerships.



Our actions to drive change and performance improvements are based on these 5 foundations (see page 11).



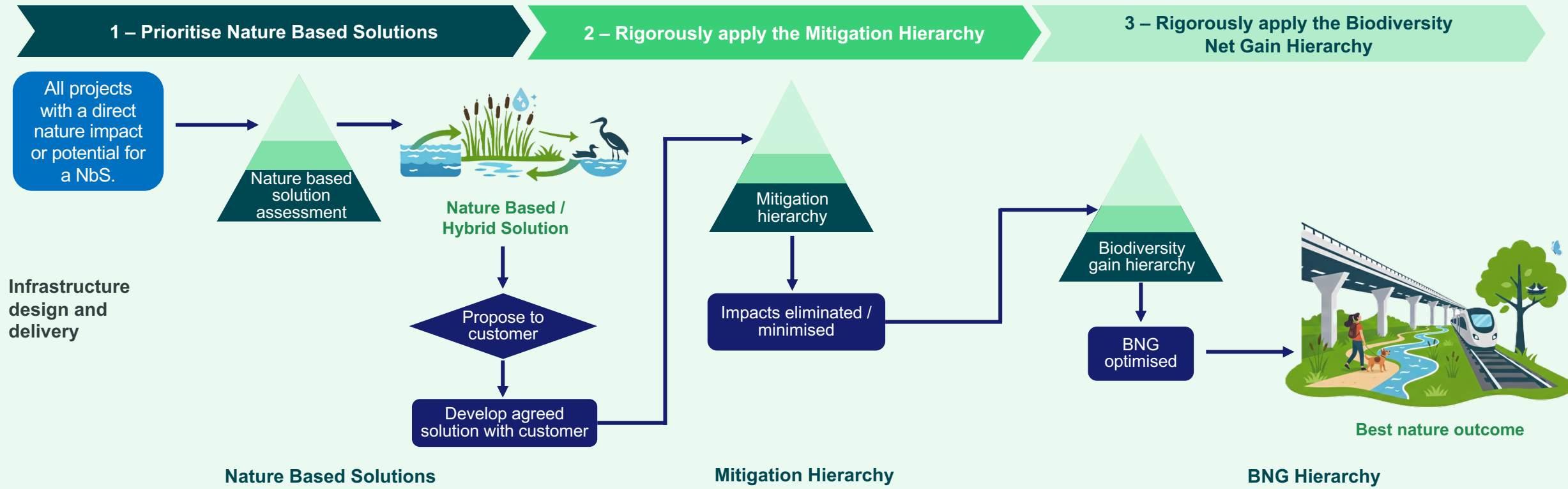
At our A1 Birtley to Coal House project over 1ha of woodland planting was delivered at Beggars Wood, through Gateshead Council with National Highways Environment and Wellbeing Funding. This delivered a biodiversity uplift from 3.06 to 5.90 units, alongside new habitats and crossing points for wildlife, benefiting species like otters, badgers, and reptiles.



Our process

Our process to practically deliver for nature across upstream and direct operations

See appendix 1. for more information



Supply chain	Indirect impacts	We will assess nature-related impacts in our supply chain, prioritise high-impact materials and locations, and act through the AR3T* framework, while engaging suppliers and tracking progress transparently.
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Reporting	All Impacts	We will iteratively improve nature-related disclosures in line with TNFD recommendations and UK SRS, focusing on enhanced data transparency, risk integration, and stakeholder engagement to support resilient, nature-aligned decision-making. Reported scope boundaries will expand over time from our direct operations, to include upstream impacts and dependencies.
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Our metrics

Developing a set of nature metrics

We recognise that developing nature-related metrics is essential to delivering infrastructure and running a business that supports environmental and societal resilience. These metrics help us understand and manage our impacts on biodiversity, water, land use, and ecosystem services across projects, operations, and supply chains.

We're building a scalable approach aligned with SBTN and TNFD, starting with qualitative baselines and progressing toward spatially explicit, data-driven indicators. Location-specific analysis will help us target nature-positive actions, align with local strategies, and support broader landscape resilience.

We also recognise the link between nature and climate. Many climate-related actions, such as emissions reduction, habitat restoration, and land-use efficiency bring co-benefits for biodiversity. Our strategies for nature and climate will be developed in parallel, supported by shared data and integrated reporting.

This joined-up approach will be reflected in our annual sustainability report, enabling transparent progress tracking, alignment with global frameworks, and clear communication of outcomes to stakeholders. Current metrics and targets which are in use or in development are as follows:

- BNG outcomes
- Nature-Based Solutions (NbS)
- Water use and interactions
- Pollution incidents
- GHG emissions
- Land use change
- Supply chain risk and nature plans
- Spatial data and receptors

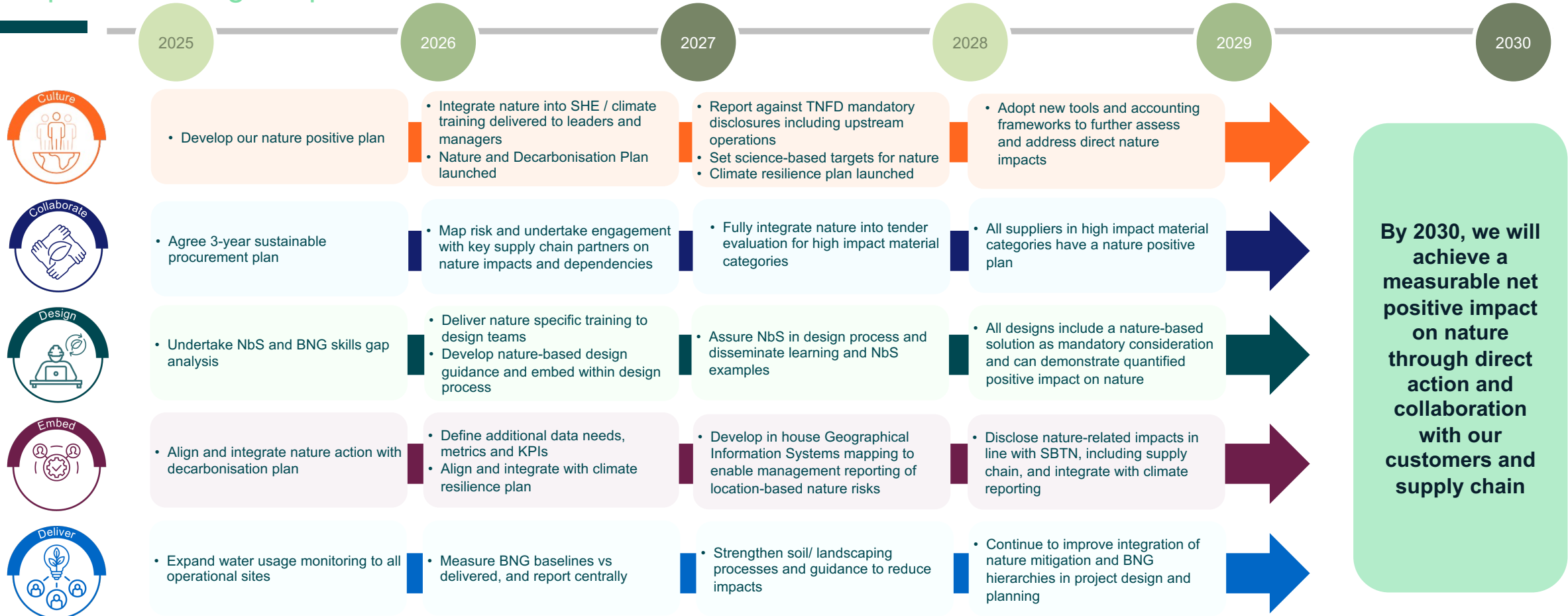


At Hailsham South Wastewater Treatment Works, Costain supported Southern Water in delivering a nature-positive upgrade that went beyond regulatory compliance. The project involved constructing a new treatment stream to meet tighter phosphorus limits, while simultaneously enhancing the surrounding environment. A key feature was the creation of a new ecosystem adjacent to the site, designed to support biodiversity and improve landscape connectivity. This included planting native species, creating wetland features, and restoring habitats to benefit local wildlife. The design was informed by ecological surveys and aligned with biodiversity net gain principles. This integrated approach demonstrates how infrastructure delivery can contribute to nature recovery. By embedding environmental enhancements into project design, Hailsham South supports both water quality improvements and long-term ecological resilience.



Our key actions 2025-2030

Steps to enabling our plan



We will evolve our nature positive plan over time, integrating new guidance, learning, and standards to support a nature-positive outcome.



Appendices

Appendix 1. Design principles and hierarchies explained

Appendix 2. The scope of our operations

Our climate and nature partnerships and memberships



Appendix 1

Design principles and hierarchies explained

Prioritise Nature-based Solutions

We will prioritise the consideration of Nature-Based Solutions (NbS) for projects, aiming to embed them from the earliest design stages in collaboration with our customers. Our goal is to work with our customers to increasingly apply the UK's Natural Capital Approach to evaluate and enhance the value of nature in our decision-making. Our design principles include:

Integration: Embed NbS early to maximise co-benefits across biodiversity, water, and climate.

Functionality: Design for multiple outcomes, including flood resilience, soil and water management, habitat connectivity, carbon sequestration, and community wellbeing.

Valuation: Move towards using natural capital tools to assess ecosystem service value and inform trade-offs.

Longevity: Ensure long-term viability through robust design, maintenance planning, and community stewardship.

Rigorously apply the Mitigation Hierarchy

We will rigorously apply best practice methods aligned with the established Mitigation Hierarchy, a core principle in UK planning policy to ensure biodiversity is protected throughout development.

The hierarchy follows this sequence:

Avoidance: Design projects to prevent harm to biodiversity from the outset.

Minimisation: Reduce unavoidable impacts through mitigation measures.

Restoration: Repair damaged ecosystems and habitats on-site.

Compensation: Offset residual impacts through off-site ecological enhancements as a last resort.

This structured approach supports a 'nature first' ethos and aligns with national planning guidance.

Rigorously apply the BNG Hierarchy

We will rigorously apply best practice and embed continuous learning in following the BNG hierarchy, ensuring measurable biodiversity improvements in line with the Environment Act 2021. Working with customers and landowners, we will:

Avoid: Design out impacts to priority habitats and irreplaceable features from the outset.

Minimise: Apply targeted measures to reduce unavoidable biodiversity impacts during construction.

Enhance on-site: Integrate habitat creation or improvement within the site to contribute to net gain.

Offset Off-site: Where needed, work with customers to secure additional biodiversity units through registered off-site projects to exceed the 10% net gain requirement.

We will also consider climate impacts on species and habitats, designing resilient ecosystems and selecting adaptable species to ensure biodiversity gains are robust.

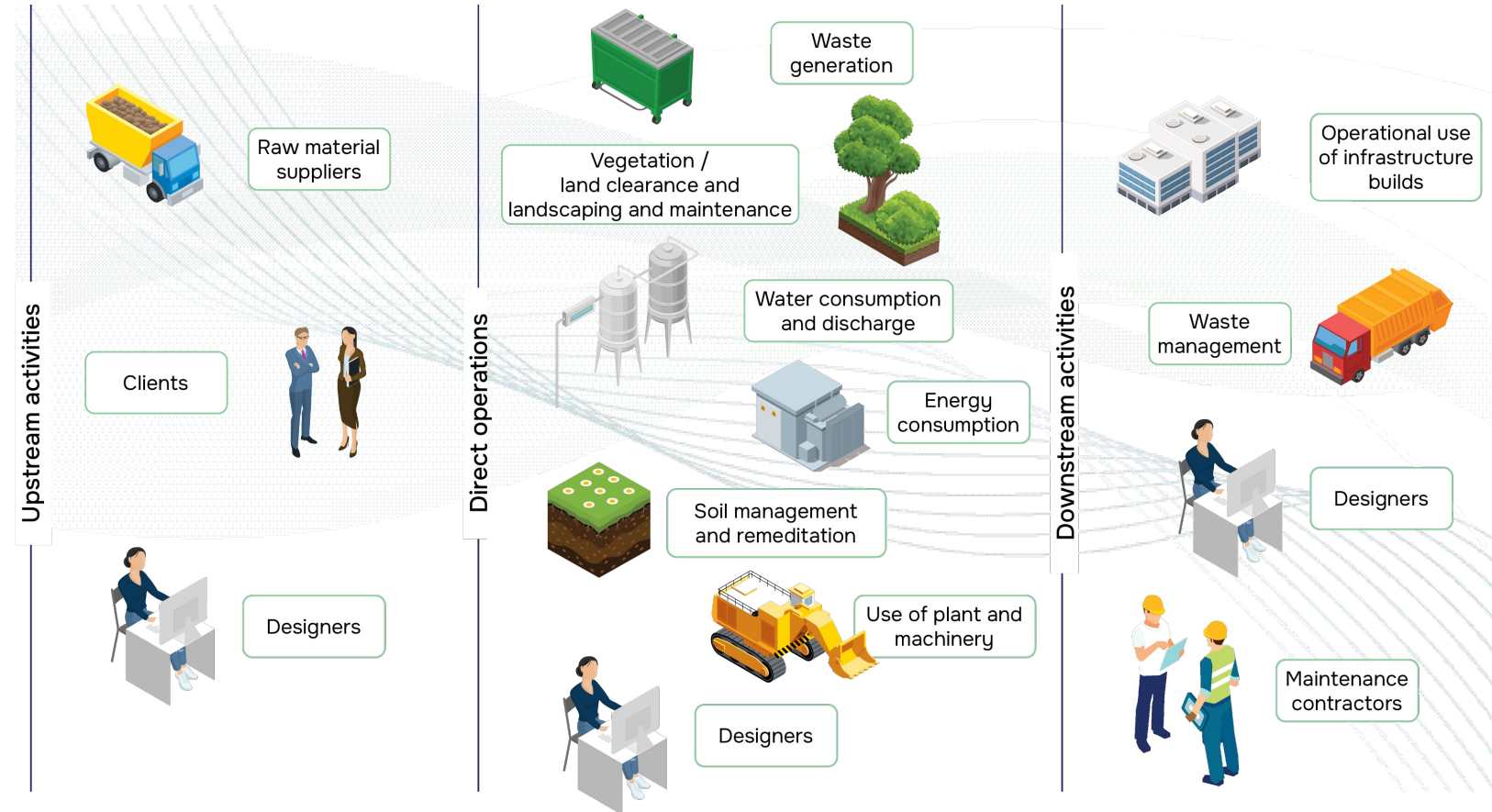


Appendix 2

The scope of our operations

Costain recognises that a value chain approach is required to meet nature positive goals, and whilst we are unable to control our upstream and downstream activities, we are committed to delivering nature positive practices in areas of our direct operations, and wherever feasible to influence our customers, design partners, and material suppliers.

Becoming nature positive is an iterative process, and our scope boundaries will increase in time to include the upstream operations.





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