



## SUSTAINABLE PROCUREMENT AND SUPPLY CHAIN POLICY

This policy sets out the Boards' commitment to ensure that the procurement of goods and services is executed in accordance with our responsible business policies and our leading-edge strategy. As part of our commitment to responsible business, we expect Costain people, partners and suppliers to only procure goods and services that can satisfy the conditions of this policy. This means we will:

- Aim to go beyond compliance to maximise shareholder value, by making sustainability a strategic decision
- Make it part of our mission, vision and purpose to improve the wellbeing of the company, society and the environment.
- Work with supply chain partners and reputable market leaders that procure to the same auditable standards as Costain, complying with relevant and current legislation.
- Work with our supply chain to lead the innovation of alternative, safe, low impact, value driven sustainable solutions.
- Collaborate with our supply chain to deliver client focused solutions that exceed expectations on safety, risk management, quality, programme and value.
- Procure industry leading practices to deliver low carbon solutions and minimise waste creation.
- Engage with our supply chain to promote ethical and cultural diversity and inclusion, and fairness in the workplace, based on a non-discrimination culture.
- Create suitable opportunities for the inclusion of reputable local supply chains and SME's, which will contribute to a contract and improve people lives within the locality.
- Engage supply chain members that promote a culture focused on quality.
- Promote performance management as-a-means to fairly measure the capabilities of appointed supply chain members and help them improve their performance and value.
- Promote investment in training through the engagement of our supply chain via initiatives such as; the Costain supply chain academy, national skills academy, apprenticeships schemes, Offsite Management School, Supply Chain Sustainability School and Considerate Constructors Scheme.
- Engage with suppliers to agree fair commercial and payment terms that support or exceed national initiatives, fair payment charters and comply with the Government's Prompt Payment Code.
- Work with our supply chain to help them incorporate responsible and sustainable procurement practices within their supply chain.
- Support local communities and ensure we leave a lasting legacy by respecting the communities we serve, investing in them and generating social value.

Our [Ethical Business Conduct](#); [Modern Slavery & Human Trafficking](#); and [Social Value](#) policies reinforce our approach to sustainable and responsible procurement. Delivering sustainable procurement is the responsibility of all staff assigned this responsibility. The Directors of Costain Group will ensure that sufficient resources are provided to enable compliance with this policy.

This policy will be regularly reviewed to ensure that the management system is effective, consistently implemented and continually improved.

Signed:

A handwritten signature in black ink, appearing to read "A. Vaughan".

Date: 11-1-23

**A. Vaughan** (Chief Executive Officer)

Business Owner: Head of Procurement