



SUSTAINABLE PROCUREMENT POLICY

The Costain Group recognises the importance of procuring all products and services that constitutes and sustains our business, from a responsible supply chain that utilise sustainable solutions.

This policy reflects the high standards that we set ourselves and is a declaration of the Boards' intent to ensure that all works, materials and other associated components are procured responsibly. Our published Delivering Sustainable Procurement Guidance document outlines our commitment to manage safety and control or influence the economic, environmental and social impact arising from or within our supply chain and their workforce.

The objective is to promote sustainability and continual improvement via innovation, measuring quality and performance of our supply chain, throughout work winning, the lifecycle of a contract and beyond.

To achieve this, Costain Group will:

- Procure products and services in accordance with our guidance document and only work with reputable market leaders that procure to the same auditable standards, which comply with relevant and current legislation.
- Work with our supply chain to lead the innovation of alternative safe low impact sustainable solutions.
- Collaborate with our supply chain to deliver customer focused solutions that exceed expectations on safety, risk management, quality, programme and value.
- Procure solutions that minimise the generation of carbon and waste.
- Engage with our supply chain to promote ethical and cultural diversity 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 to contribute to a contract.
- Only engage supply chain members that promote a culture focused on quality and getting it right first time.
- Promote performance management as a means to fairly measure the capabilities of appointed supply chain members.
- Promote investment in training through the engagement of supplier's and supply chain via initiatives such as the Costain supply chain academy, national skills academy, apprenticeships schemes and Supply Chain Sustainability School, etc.
- Engage with suppliers to agree fair commercial and payment terms that support national initiatives and fair payment charters.
- Work with our supply chain to incorporate responsible procurement practices within their supply chain.

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. Wyllie", written over a dotted line.

A. Wyllie (Chief Executive Officer)

Date:

6th Feb 2015