



COSTAINCARES

Our primary focus is to both understand and meet the needs of stakeholders.

In every relationship and facet of operation, we are focused on one simple but powerful message...

Costain Cares... about you

Introduction with *Andrew Wyllie*

To achieve our vision ‘to be one of the UK’s top engineering solutions providers’, we must be the best for technical, innovative expertise and sustainable solutions. Costain Cares is a continued commitment to you, our stakeholder, to focus on the issues you care about.



Costain has a duty of care to stakeholders. We aim to build a depth and richness into our relationships that goes beyond what is expected.

Costain Cares has evolved from a period of detailed stakeholder engagement. We have listened to the views of customers, communities, colleagues, supply chain partners and shareholders. This process has

highlighted the issues that matter. It has allowed us to assess what we are doing well and identify where we need to focus for the future. We have used this feedback to set ambitious goals against which we can be held to account. Costain Cares is based on relationships, our environment and the future.

Costain Cares is not a slogan. It is an attitude of mind. It is a commitment to exemplary behaviour and a touchstone against which we can all evaluate and measure our performance.

Costain Cares will establish a new level of competitiveness. It will shape the future of our business and drive actions on a day-to-day basis.

A handwritten signature in black ink, appearing to read 'Andrew Wyllie'. The signature is fluid and cursive, with a long horizontal stroke at the end.

Andrew Wyllie
Chief Executive

Performing responsibly

Relationships

We encourage open, honest and respectful communication. We believe in strong, long-lasting relationships that are mutually beneficial.

We will:

- > Provide a safe working environment free from harm
- > Provide a healthy working environment for all our people
- > Support the local communities in which we operate, ensuring we leave a lasting legacy
- > Provide sustainable solutions and the highest standards of service for our customers
- > Attract, retain and develop the best people for the Costain Group
- > Operate a collaborative, responsible supply chain where our partners support us in delivering efficient, innovative and sustainable solutions



Performing responsibly_{continued}

Our Environment

We operate in the built environment, where we meet national needs for strategic investment in infrastructure. We compete in the economic environment, where we must deliver value for customers and shareholders. We have to deliver responsibly to the natural environment for the benefit of everyone.

We will work with our customers and supply chain to protect and where possible enhance the environment by:

- > Reducing our impact on climate change
- > Conserving natural resources by reducing waste, minimising water consumption and sustainably sourcing materials
- > Preventing pollution



Performing responsibly_{continued}

The Future

We have a key role to play in helping the UK economy flourish. The benefits of investment in infrastructure today will be felt for many years to come.

We will:

- > Be one of the UK's top engineering solutions providers
- > Provide a sustainable return on investment for our shareholders
- > Invest in innovation to provide solutions for tomorrow's challenges
- > Inspire people to attain skills that will be needed in the future and realise their potential
- > Contribute to economic growth by supporting our supply chain, including small and medium-sized enterprises



Vision 2014

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The Future

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Our objectives and targets

Objectives 2012

- Demonstrate visible and engaging SHE leadership and communication at all levels within the organisation
- Every person working under the direction of Costain has proven and demonstrable health and safety competence for the role they are undertaking
- Peoples' underlying behaviour is safe because of their increased awareness, supported by our strong safety culture
- We know our people are fit for work, we encourage a healthy lifestyle and promote wellbeing
- Openly engage and listen to local communities to understand issues relevant to them, take action and ensure that we have a positive impact through the support and contributions we make
- Provide a sustainable return on investment for our shareholders
- Exceed the expectations of our customers and ensure we deliver added value
- Be a leader in the proactive development and influence of government policy
- Be seen as the number one partner to work with through innovation, support, market positioning and value offering and we will work with the best supply chain to deliver safety, quality, innovation and value
- Our people have the right skills, culture and experience to enable the Group to realise its ambition to broaden its capabilities and that individuals achieve their potential and meet their aspirations
- Be an employer of choice and continue to attract and retain the best people for the Group
- Communicate openly and engagingly with our employees, listen to their views on the Company and issues that affect them
- Build a diverse workforce, creating an environment where innovation thrives
- Value our people, recognising and rewarding performance
- Work with our customers and supply chain to develop skills to respond to future needs within our sector and support small and medium-size enterprises (SMEs) to grow their capability, to develop innovation and build economic prosperity
- Be recognised as the undisputed leader in the provision of intelligent solutions to meet national need
- Reduce our carbon emissions by 50% by 2020 compared to 2008, achieving a 30% reduction by 2014
Engage with our customers and work with our supply chain to provide solutions that reduce their carbon emissions
- Reduce our consumption of natural resources through effective waste management, efficient water consumption and sustainably sourcing materials
Engage with our customers and supply chain partners to provide solutions that reduce their impacts
- Zero major environmental pollution incidents by 2020, with a reduction of 20% by 2014

Targets 2012

- Achieve a Group accident frequency rate (AFR) of 0.12
- Achieve a Group all accident frequency rate (AAFR) of 2.5
- All sites to achieve 100% compliance with the Front Line Supervisor Protocol
- 90% of projects to have a Green or better Costain Behavioural Safety (CBS) Engagement score
- Improve absence reporting to trend underlying causes of absence and together with analysis of medicals data, target reductions in 2013
- Achieve a failure rate of 5% or less on random Drugs & Alcohol testing
- 100% of projects deliver Community Engagement and Action plans
- Achieve a 10% rise in Group charitable contributions
- Dividend growth and net worth
- Achieve a tender success rate of 35%
- Achieve a customer retention rate of 80%
- Active representation on government and industry boards
- Achieve a customer retention rate of 80%
- 100% of our Top 100 supply chain partners complete 360 degree feedback, to measure performance and set a target to improve
- Achieve an average supply chain performance of 65%
- Career paths mapped and communicated for 50% of the business
- Maintain a better than industry average voluntary employee turnover rate
- Achieve a 3% increase in employee engagement
- Our diversity profile exceeds industry average
- Continue to support young people not in employment, education or training achieving a 50% increase in the number of work placements or employment opportunities offered in 2012
- The profile of performance scores is reflected in the profile of pay awards
- 50 work experience placements
- 150 apprentices (20 direct, 130 via our supply chain)
- 5 day release/year
- 35 graduates over 10 disciplines/year
- 10 key senior level recruits
- Adopt 5 SMEs to support and develop
- 5 new innovative intelligent solutions delivered to our customers
- Reduce our measured carbon emissions by 20% from 2008 baseline
- Achieve a 50% reduction in waste generated on site per £100,000 compared to 2008
- Divert 90% of waste generated from landfill
- Measure our baseline water consumption in 2012 to enable reduction targets to be developed in 2013
- Achieve a 10% reduction in environmental incidents compared to 2011

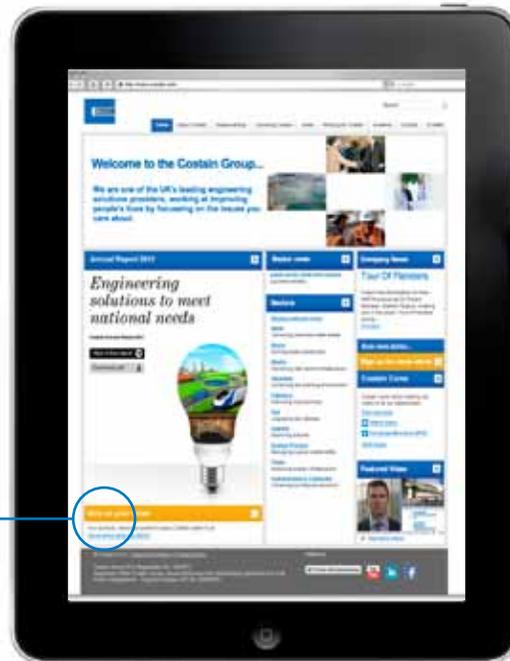
Visit us at www.costain.com

A member of



We would welcome your feedback as your views and opinions are extremely important to us.

For more detailed information about the Costain Group, Costain Cares, latest news and to see how we are progressing on our journey, please visit our website.



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