



## ENTERPRISE RISK MANAGEMENT POLICY

The Costain Group recognises that Enterprise Risk Management (ERM) is fundamental to the continued growth and success of the business. The Board and Executive Committee are committed to their responsibility to manage risks effectively to control the assets and liabilities of the organisation, protect its employees, minimise uncertainty in achieving its goals and objectives and maximise the opportunities to achieve its mission.

Risk Management is an integral part of Costain's corporate governance arrangements and has been built into the management processes as part of the overall framework to deliver continuous improvement.

Our approach to ERM supports us to:

- Raise awareness of the need for risk management;
- Minimise loss, disruption, damage and injury and in turn achieve our strategic and operational objectives;
- Strengthen our financial position;
- Inform decision making by identifying risks and their likely impact;
- Ensure stakeholder confidence in our capacity to consistently deliver promised outcomes.

These will be achieved by:

- Embedding our risk management approach in all areas of the business;
- Establishing clear roles, responsibilities and reporting lines;
- Applying a consistent approach to risk management and ensuring compliance;
- Adequately resourcing and prioritising risk management activities supported by effective communication with, and the active involvement of employees at all levels within the organisation including the Executive Committee.

It is expected that Costain personnel will:

- Understand and engage with ERM as a core business discipline;
- Take responsibility for participating in the risk process and carry out assigned responsibilities;
- Consistently apply ERM to activities in accordance with business requirements; and
- Freely communicate risk and share lessons within the business.

Implementation of this policy shall be monitored through Costain's audit and assessment processes.

This policy is to be reviewed annually.

Signed:.....

**A Wyllie CBE** (Chief Executive Officer)

Date: *1st February 2018*