



INNOVATION POLICY

Innovation is fundamental to delivering the Costain business strategy and is everyone's responsibility to encourage. Innovation is embedded across within the Costain Way to mitigate all forms of risk in delivering industry leading services. We are committed to creating an innovation environment to add new value to clients, grow and diversify revenue, and provide a distinct competitive advantage.

At Costain, innovation is the application of a better solution that meets new requirements through thought leadership, addressing unarticulated needs, or existing market requirements to deliver a sustainable business improvement. This is achieved by providing more effective products, technologies, and services that are made available to markets, governments and society. This may be through a minor change to existing approaches, requiring minimal control, to game changing invention, requiring a high level of strategic commitment, effort and oversight.

To enable effective innovation in all its forms throughout Costain and partner organisations, the company is committed to:

- Undertake innovation in a safe, controlled risk and responsible way with correct skills;
- Establishing an 'innovation' focussed culture that leads and develops new ideas;
- Advancing the use of digital technology (beyond the Government BIM compliance levels) to enable teams to collaborate and use data to optimise performance;
- Supporting innovation through effective technical review and efficient controls;
- Using the UK research and innovation networks to accelerate innovation to market;
- Talent development, research acquisition, communication and knowledge sharing;
- Enabling and collaborating with business partners and external experts;
- Developing and protecting Costain's intellectual property both commercial and legally.

To embed these commitments, and to enable the business to continuously innovate, it is expected that Costain personnel will identify, develop and implement innovative ideas by:

- Contributing to client focused innovative ideas and seek opportunities to innovate;
- Continually adapting the Costain Way to enable innovation best practice;
- Investing appropriate resources in supporting and implementing innovation;
- Considering innovation capability in our culture, recruitment, supply chain selection;
- Being accountable for and reporting on innovation demonstration and value;
- Effectively managing risk and opportunity while innovating with technical experts;
- Ensuring regular communication and ideas are exchanged within and across sectors as part of a learning organisation.

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

This policy is to be reviewed annually to ensure that the Costain Way for Innovation is effective, consistently implemented and continually improved.

Signed:

A Wyllie CBE (Chief Executive Officer)

Date: 1st February 2016