



INTERNAL CONTROL AND RISK MANAGEMENT POLICY

The Costain Group Board and Executive Committee are committed to discharging their duties in accordance with the UK Corporate Governance Code in managing risks effectively and operating a sound system of internal control. It is recognised that this is fundamental in reducing the impact of Risk while supporting the continued growth and success of the business in delivering our strategic objectives.

This is achieved by:

- Embedding our risk management process in all areas of the business by establishing and promoting a risk aware culture at all levels of the organisation.
- Clearly defining and communicating a structured and consistent process to managing risks (plan, identify, assess, respond, manage and close out) through our risk management framework. Risk Management is designed to minimise cost overruns, schedule delays, reputation impact, disruption, damage or injury, which in turn will strengthen our financial position and inform decision making in line with our risk appetite.
- Establishing clear roles, responsibilities and reporting lines including adequately resourcing and providing the necessary toolsets to prioritising and analysing risk responses and applicable control activities by ensuring they are effective and updated accordingly by respective Risk owners.
- Defining and applying approved levels of delegated authority in operating the system of internal control and risk management.
- Maintaining, communicating and training all employees on our business management system which defines our policies, minimum standards and procedures which all employees are required to comply with. The business management system includes controls required for the whole business covering areas such as: Financial, Regulatory, Legal Compliance, Auditing, Project Management, Supplier Management.

Compliance with this policy will be monitored through a structured compliance and Internal Audit programme to assure ourselves and our stakeholders that the Risk Management process is effective and being adhered to as well as the Business Controls being applicable, monitored and implemented.

The Board and Executive Committee will receive regular reports on the performance and outcomes of risk management and assurance activity to inform decision making and continuous improvement.

This policy will be reviewed annually for ongoing effectiveness and improvement.

Signed: 

Date: 04/01/21

A Vaughan (Chief Executive Officer)