

Feedback report

Costain

The CR Index assesses the extent to which corporate strategy is integrated into business practice throughout an organisation. It provides a benchmark for companies to evaluate their management practices in four key areas of corporate responsibility (community, environment, marketplace and workplace) and performance in a range of environmental and social impact areas.

Feedback Report for Costain

This is a summary of your 2008 Corporate Responsibility Index results, comparing your company's performance against your peers and other Index participants. This year more than 140 companies have used the Index as a management tool, with 126 companies participating publicly.

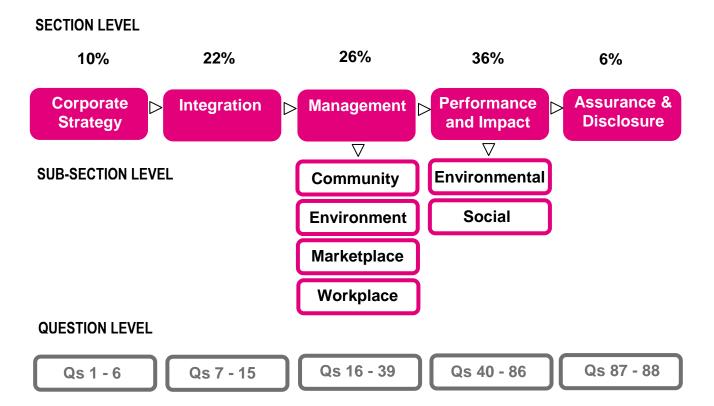
SECTOR Construction & Materials **COMPANY PERFORMANCE** 2008 score 2008 band Corporate **Responsibility Index** Silver 88.0% ≥ 95% Platinum 90 - 94.5% Gold 80 - 89.5%Silver 70 - 79.5%**Bronze**

PARTICIPANTS IN YOUR SECTOR

BSS Group Anglo American Morgan Est Tullow Oil

(UK) global business reporting on UK operations only Given the nature of your business Costain has been benchmarked with Mining and Engineering

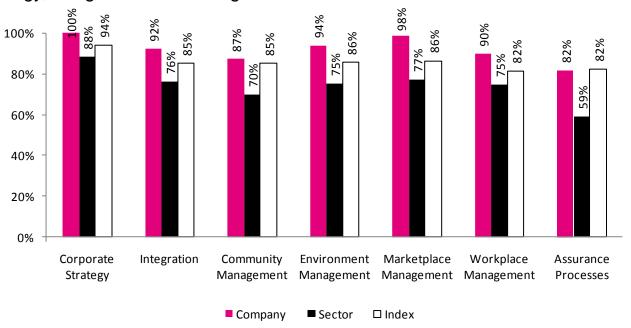
The Index Model



Section Level Summary

The following graph provides a summary of your performance in each main component of the Index. Your performance is examined in more detail in the following pages. Please refer to the Index survey for further details of each element within the chart. For reference, each chart is normalised to 100%.

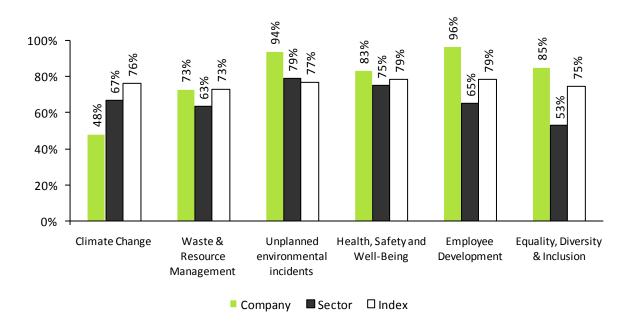
Strategy, Integration and Management Practices



Environmental and Social Impact Areas

Each company completes six impact areas – three environmental and three social.

The environmental impact areas include two core impacts, Climate Change and Waste & Resource Management, plus one self-selected area relevant to the business. For their social impact areas companies are able to choose between Health, Safety & Wellbeing, Employee Development, Equality, Diversity and Inclusion in the Workplace, Community Investment or another self-selected impact area. You have chosen to report on the following:



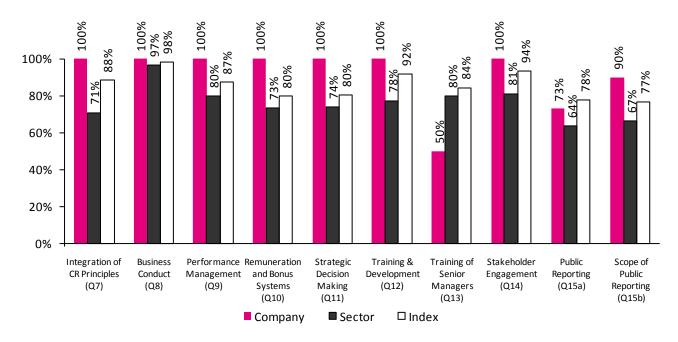
Section 1: Corporate Strategy

This section rewards companies for placing CR values at the core of their business strategy. It asks whether there is a system to identify key social and environmental risks and opportunities, and whether these are addressed by principles and policies. Companies must be able to demonstrate leadership and commitment at the highest level, internal reporting to the board, and public advocacy of responsible business practice.



Section 2: Integration

It is not enough simply to have a strategy; it needs to be implemented throughout a business. This requires internal communication and training employees so they understand the key CR issues for the company, building CR related performance criteria into appraisal and remuneration systems, undertaking stakeholder engagement and ensuring it contributes to CR strategy, demonstrating social and environmental issues are incorporated into strategic decision making, and transparency through external reporting on CR management practices and impacts.

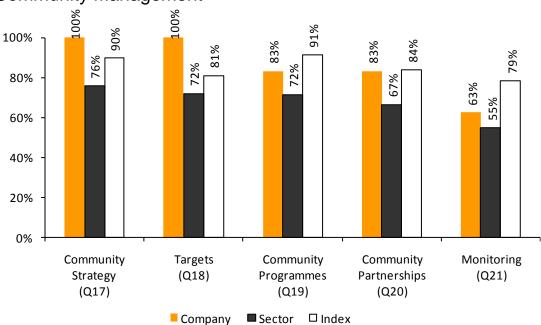


Section 3: Management Practice

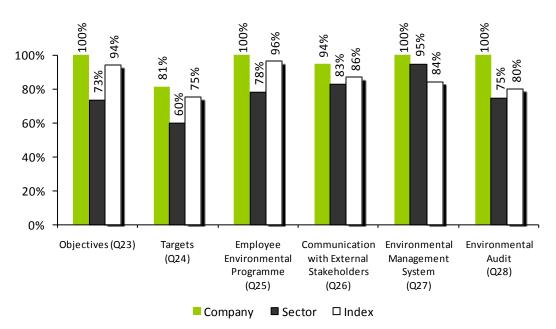
Section 3 assesses whether a company has developed management practices to address CR issues key to the business in the four areas of Community, Environment, Marketplace and Workplace. Leading companies are able to demonstrate:

- = policies to ensure responsible behaviours across the business,
- = objectives and targets to drive continuous improvement,
- = clear responsibilities defined at all levels,
- = effective communication systems to share knowledge and latest information,
- = training provided to relevant staff to ensure competency and delivery of objectives,
- = a process for stakeholder consultation and engagement across all key areas,
- = monitoring systems to assess and report progress,
- = key issues, targets and performance reported publicly.

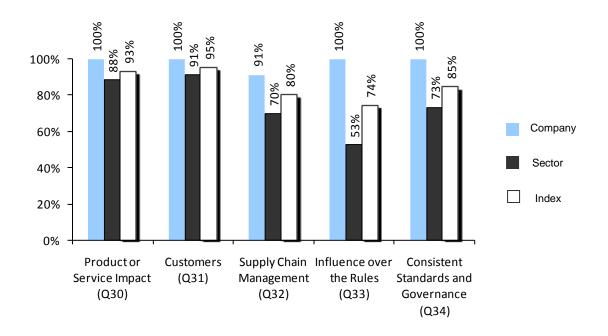




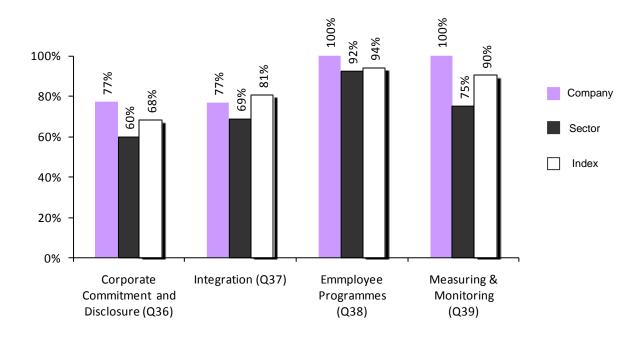
Environment Management



Marketplace Management



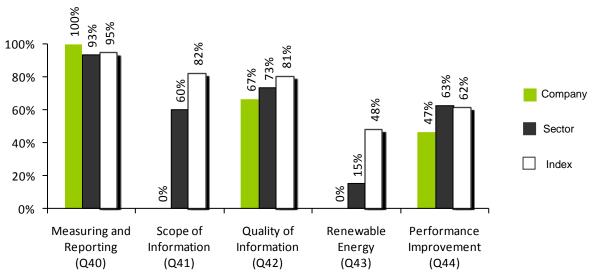
Workplace Management



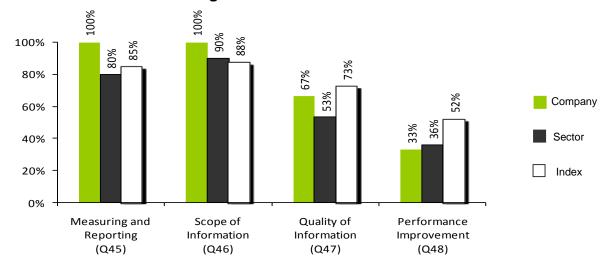
Section 4: Environmental Impact Areas

The following graphs break down each environmental impact area. Each area considers the quality and coverage of data measured and rewards companies that set and publicly report against targets, and those that can demonstrate continuous improvement.

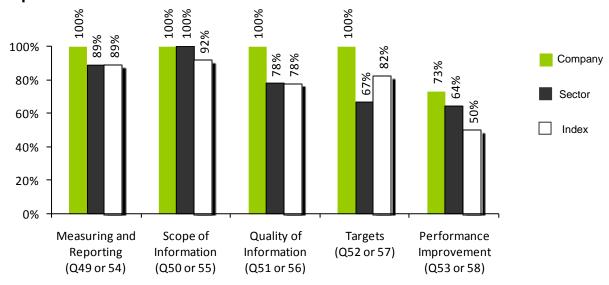
Climate Change



Waste and Resource Management



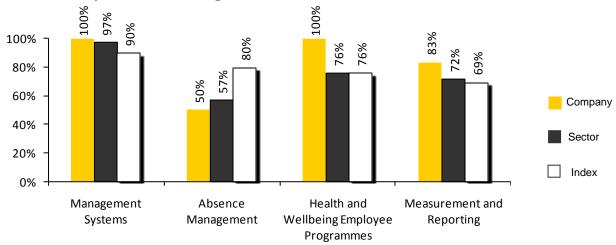
Unplanned environmental incidents



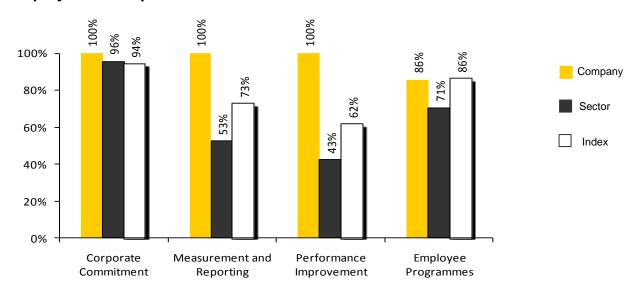
Section 4: Social Impact Areas

The following graphs provide further analysis on the three social impact areas completed by your company. Each area combines a mixture of management and performance criteria specific to the social impact in question.

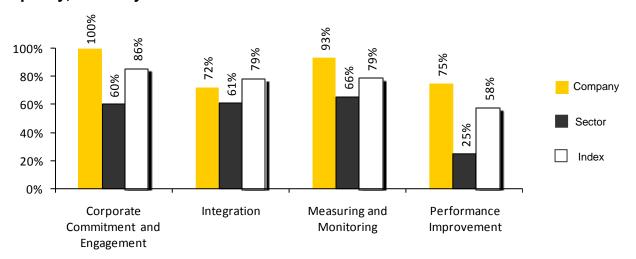
Health, Safety and Well-Being



Employee Development



Equality, Diversity & Inclusion





Corporate Responsibility Index 2008 Key Changes

We have introduced a number of changes to the Index this year in order for it to remain relevant and challenging and to continue adding value as a management tool. Some questions have been added, strengthened or rephrased and guidance notes have been improved to clarify requirements for supporting evidence. The main changes that have been introduced are as follows:

1) Integration Section:

On the question on 'Training and Development' we have introduced a new set of questions on the quality of the training and the identification of future training needs.

On the question on Senior Management and Board Member training we have replaced the last question to read 'Training of board members includes participation in a relevant CR Programme'

On the 'Advocacy question, the last statement namely: 'our company receives 3rd Party recognition for performance on a key aspect of CR Agenda' has been removed.

On the question on Public Reporting we are asking companies to explain the link between key social & environmental issues with the their core business activities

2) Management Section:

Community:

- The question on 'key issues' has an additional part which asks to provide the key community projects in place now and the likely future initiative/plans
- The question on 'Community Partnerships' has been softened in that we are asking whether timescales of involvement are agreed at the outset of each strategic partnership, including a formal exit strategy where appropriate.

Environment.

- On the question on 'Objectives' the qualifying statement: 'our company can demonstrate how its significant impacts were selected' has been removed.
- The question on 'Targets' now includes 'Renewable Energy' as an additional area.
- The question on 'Communication with External Stakeholders' now asks to clarify in any of the statements is not applicable.

Marketplace:

- On question 32a&b we have included a question on encouraging suppliers to disclose their carbon footprint publicly.

Workplace:

- This is the area that has gone through the most of changes. We have introduced a sub-question namely Corporate Commitment and Engagement where we ask whether companies report on Pay Gender Gap;
- When establishing key issues we are asking companies whether they have developed a business case to address those issues.

2) Performance & Impact:

- <u>Climate Change</u> has included a non-scored question on publicly disclosure through the Carbon Disclosure Project. The question on Scope of Information has been aligned to the GHG Protocol and now companies are able to tick all that apply.
 - On the 'Performance improvement' question we are asking now for absolute figures. We recognize the fact that for some businesses it may be difficult to source renewable energy, therefore we ask for the reasons why this may be the case.
- <u>Waste Resource Management</u> now asks companies to disclose absolute figures for Waste generated/disposed and normalised figures for waste recycle/re-used.
- <u>Biodiversity</u> now asks companies that participate in the Wildlife Trust's Biodiversity Benchmark to disclose their performance and skip the whole section on Biodiversity which would give them full mark
- <u>Health, Safety & Wellbeing</u> There is a focus on Absence Management which is now a question in its own right. within H,S&W-B
- <u>Employee Development</u> There is an emphasis on Senior Management engagement on reviewing the percentage of the investment in Learning & Development by business area and at different levels of the organisation.
- <u>Diversity</u> Impact area has been renamed to Equality, Diversity and Inclusion. We are asking
 companies whether they have integrated Equality, Diversity and/or Inclusion across different areas
 of their organisation such as Pay and Reward, Change Management, Learning and Development
 etc.
- <u>Migrant Workers</u> has been removed as impact area and are now integrated within the Equality, Diversity and Inclusion impact area.
- <u>Community Investment Benefits and Impacts</u> does no longer ask to list the two of the community investment programmes. On the community benefits question, we have removed the qualifying statement on being able to demonstrate sustainable social impact through monitoring and review process.



CR Index 2008

Additional Services Available for Participating Companies

BENCHMARKING PLUS INDEX OFFERING

The Benchmarking and Reporting team will be offering a Benchmarking Plus option to those companies seeking further feedback on their Index performance. As in previous years, there will be a fee charged for companies wishing to take-up this offer, based on the following two options:

1. Benchmarking Plus Mini - £500 (+VAT)

- PowerPoint report on your performance with recommendations for areas of improvement across the corporate responsibility agenda, identifying 'quick wins' and 'significant issues'
- Meeting to present the report to your internal audience, discussing findings, recommendations and key actions moving forward as well as highlighting recommended activities based on our learning from the Index process
- Outline plan for reaching the next band next year

2. Benchmarking Plus Full - £2,250 (+VAT)

As above, but with an additional bespoke written report as provided to companies participating in the Private Benchmark, usually costed at £3,500, which can be tailored for individual company needs and includes:

- Formal document, highlighting key areas for action, under a three stage prioritisation format
- Further detailed analysis against peers and guidance to support the company in developing a corporate responsibility strategy that learns from best practice in your industrial sector
- Additional Impact Area analysis relating to areas not completed this year with recommendations for future action
- Thematic recommendations and concise action plan for next implementation phase
- Presentation of findings to engage senior management team/board

Additionally, we are happy to provide advisory services based on your Index participation, tailored to your specified need. Please contact us to outline your requirements.

To express interest in these services, please contact Wiebke.flach@bitc.org.uk

Business in the Community mobilises business for good.

We inspire, engage, support and challenge companies to continually improve their impact on society. We work through four impact areas: Marketplace, Workplace, Environment and Community. With more than 850 companies in membership, we represent 1 in 5 of the UK private sector workforce and convene a network of global partners. We're committed to help members integrate responsible business, share experience and take collaborative action. Why? It's just good business.







Business in the Community 137 Shepherdess Walk London N1 7RQ Telephone: 0870 600 2482 Fax: 020 7253 1877

Email: information@bitc.org.uk

Registered Office:

137 Shepherdess Walk, London N1 7RQ. Telephone: 0870 600 2482. Registered Charity

No: 297716. Company Limited by Guarantee No:1619253.