



## COUNTER FRAUD POLICY

### *Overview*

Costain has a zero-tolerance approach to fraud of any kind.

Integrity is one of Costain's core values and making sure that we always do the right thing, in the right way is integral to our business – it is what our clients, supply chain, employees, shareholders and our other stakeholders expect from us.

Everyone who works for, or with, Costain is responsible for preventing and reporting any fraud concerns in accordance with this policy. We expect you to be vigilant, acting robustly and with integrity at all times. We must each play our part in safeguarding Costain's reputation and the resources/assets for which we are responsible (and thereby protect our clients and our shareholders – including our public sector clients, whom we fund as taxpayers).

Any fraud concerns that are reported will be investigated and Costain will seek the highest level of redress against those who commit fraud.

This policy sets out the responsibilities and action you must take if you have any fraud concerns in connection with any of Costain's works, services or activities. Costain has a dedicated specialist investigation team. This team reports to the General Counsel & Company Secretary ('GC&CS') to ensure that the work it carries out is independent to the delivery of projects and core functions.

### *Scope*

This policy applies to those (referred to as 'you' throughout this document) working for Costain including those who are directly employed, agency workers, temporary workers, personnel with a 'workingwithcostain' email address, secondees, board members and (whilst they are conducting business with Costain) all sub-contractors and suppliers.

If you are working on behalf of Costain as part of a joint venture this policy will apply to you in the absence of a counter fraud policy set by the relevant joint venture.

This policy concerns:

- **fraud or attempted fraud** which is the use of deception to gain, or attempt to gain, a benefit for yourself or others; and/or
- **theft or attempted theft** in connection with Costain's works, services or other activities.

For ease, a reference to 'fraud' in this policy includes both fraud and theft. Common types of fraud can include, but are not limited to, those identified in **Annex 1** of this policy.

### *Commitment/Objective*

**The prevention of fraud is everyone's responsibility. We must all comply with our company standards/processes, as this creates an environment where fraud cannot occur in the first place. We are also all responsible for keeping a look-out for any fraud/wrong-doing and for reporting any concerns.**

You must report any concerns as soon as reasonably practicable. It is also the responsibility of those who have accountability for a contract or function to assess fraud risk for their teams/activities and conduct appropriate risk assessment and mitigation action taking into account Costain's operations and business environment. Costain will seek to recover any losses in proven cases and pursue criminal and/or disciplinary sanctions when appropriate.



### *To report a concern*

Costain has a [whistleblowing policy](#) which sets out the process on how to report any concerns that you have.

### *Investigations*

We will always investigate concerns that are reported and seek the most appropriate sanction/redress against those who commit, attempt to commit, or assist anyone else to commit fraud (or any other improper activities). Any investigation will be conducted without regard to any person's relationship to Costain, position or length of service.

Where Costain's internal investigator is conducting an investigation, you must provide any support and assistance that is requested.

If it is suspected that a criminal offence has taken place the Chief Executive Officer, Chief Financial Officer and Chief People and Sustainability Officer will review and decide, subject to any legal obligations, whether such suspected offence is reported to any regulatory agencies or other law enforcement agencies.

### *Responsibility for this policy & related policies*

The GC&CS is the owner of this policy and is responsible for maintaining the accuracy and relevance of its contents and for periodic review and update to reflect changing circumstances. The GC&CS regularly reports on matters relating to this policy to the Audit & Risk Committee (comprised of independent non-executive directors of Costain Group plc).

The following policies are related to this policy:

- [Ethical Business Conduct Policy](#)
- [LEG-H-002](#) How to Comply with the Bribery Act
- [LEG-H-005](#) How to ensure fair and open competition
- [LEG-H-012](#) How to prevent insider dealing
- [LEG-T-005](#) Fraud Response Plan
- [LEG-H-014](#) How to Whistle-blow
- [LEG-H-011](#) How to identify, report and manage conflicts of interest (COI)
- [LEG-H-015](#) How to... Gifts and hospitality policy


Any questions about this policy should be directed to the GC&CS (or Costain's internal investigator).



## ANNEX 1 – COMMON TYPES OF FRAUD

Common types of fraud can include, but are not limited to:

- Procurement fraud
  - Payoffs and kick backs
  - Bid rigging
  - Falsely creating or diverting payments
  - Colluding with subcontractors/suppliers
- Fraud involving physical assets or confidential information:
  - Theft of Costain's property/selling Costain property for personal gain
  - Unauthorised removal of Costain's property
  - Unauthorised disclosure of confidential information
- Fraudulent claims:
  - Mileage
  - Fuel
  - Personal use of Costain's property
  - Accommodation
  - Subsistence allowance
  - Travel allowance
  - Falsifying or manipulating receipts
  - False/duplicate expenses claims
- Payroll fraud:
  - Unauthorised changes to HR or payroll system
  - Inputting incorrect details (including, but not limited to, falsifying attendance records, planned/unplanned leave)
  - Dummy or ghost employees
  - Falsifying or incomplete information to obtain employment
  - Falsifying accounts to obtain bonuses and other financial incentives
  - Exploiting a position of trust for financial or material benefit

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**A Vaughan** (Chief Executive Officer)