

The logo for COSTAIN, featuring the word "COSTAIN" in white, uppercase, sans-serif font inside a blue square.


**COSTAIN**

# Modern Slavery Act

## Transparency Statement 2018

A background photograph showing a group of people in a meeting or conference. A man with a beard and a checkered shirt is in the foreground, looking to the left. Behind him, another man is visible, and to the left, the back of a woman's head and shoulder is seen. The image is overlaid with large, diagonal geometric shapes in teal and orange.

Improving people's lives, working well together



This statement has been published in accordance with Section 54(1) of the Modern Slavery Act 2015. It sets out the steps that Costain has taken in 2018 to prevent slavery and human trafficking taking place in any part of its business, or that of its supply chain. This statement is made on behalf of Costain Group PLC and each of its subsidiaries (\*listed below) that are required to make such a statement in accordance with the Act.

\*Costain Limited, Costain Oil, Gas and Process Limited and Costain Engineering and Construction Limited.



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Costain is committed to operating responsibly, particularly regarding human rights issues and we will not tolerate human trafficking or other kinds of slavery within our operations.

This is the third Modern Slavery Transparency statement from Costain. In the past year we have continued to increase our efforts to understand our risks, raise awareness and engage with suppliers that we have identified as high risk.

Modern slavery is a crime and a violation of our fundamental human rights. It takes various forms, such as slavery, servitude, forced and compulsory labour and human trafficking. Costain is committed to operating responsibly, particularly regarding human rights issues and we will not tolerate human trafficking or other kinds of slavery within our operations. We firmly believe that nobody should be hurt or made unwell because of the work we do, or services we provide.

Costain helps to improve people's lives by deploying technology-based engineering solutions to meet urgent national needs across the UK's energy, water and transportation infrastructures.

We have been shaping the world in which we live for the past 154 years.

Costain's 4,000 people are committed to high performance and safe delivery. We are delivering a broad range of innovative services including consultancy, technology, asset optimisation and complex delivery services across a range of high profile contracts in the UK incorporating the whole life cycle of our clients' assets.

We buy a vast range of materials and services for the operation of our business, including those used in the development of the assets that we engineer. Our supply chain consists of over 5,856 companies, 3,445 of which provide operational goods and services. These companies are classified as strategic, preferred and verified suppliers to Costain.



## Our policies

We continually assess our responsible business processes and have appropriate whistleblowing procedures to ensure their continued effectiveness. In 2016 we implemented our Modern Slavery and Human Trafficking policy, making its requirements a mandatory condition of employment and a contractual condition for our suppliers. In 2018, we conducted a review of all our existing policies and have made updates to more explicitly cover our ethical labour stance.

Our suite of relevant policies, which are publicly available at [costain.com](http://costain.com), include:

- Corporate Responsibility policy
- People policy [covering labour and employment standards]
- Ethical Business Conduct policy
- Modern Slavery and Human Trafficking policy.



## Partnerships

### GLAA Construction Protocol

In 2018, Costain signed up to the Gangmasters and Labour Abuse Authority's Construction Protocol. This is a joint industry agreement aimed at eradicating slavery and labour exploitation, committing signatories to:

- work in partnership to protect vulnerable workers
- agree to share information, where possible, to help stop or prevent the exploitation of workers
- work together to manage information sensitively and confidentially
- commit to raising awareness within the supply chain
- maintain momentum through this protocol by communicating regularly.

### Bright Future

Also, in 2018 Costain signed a partnership agreement to become a Bright Future business partner. Bright Future is an employment programme developed by the Co-op with charity partners, to provide victims of modern slavery with a pathway to paid employment and reintegration into society. Working with charity City Hearts, Costain has engaged strategic suppliers; VGC, Danny Sullivan and Reliable Contractors to help place victims on Costain contracts. We look forward to reporting further progress on this partnership in our next statement.

### Supply Chain Sustainability School

Costain is a partner of the award winning Supply Chain Sustainability School, a free training provider for the industry covering a wide range of topics including modern slavery. As a partner, we promote access to the school's resources to our supply chain and employees.

A slavery and human trafficking awareness training workshop was delivered at our front-line supervisors conference in 2018.



## Raising awareness

We know that unethical labour practices, including slavery and human trafficking are hidden. We have robust policies and procedures in place setting out our stance and how we must operate. We recognise that raising awareness of the human rights aspects of slavery and trafficking is a fundamental action in bringing to light any issues within any part of our business or our supply chain.

87% of employees performing the following roles have completed mandatory modern slavery training: executive board; commercial; contract management; procurement/supply chain management; senior management; facilities; human resources; internal audit; legal; operational management and procurement.

A slavery and human trafficking awareness training workshop was delivered at our front-line supervisors conference in 2018, using Stronger Together resources to help highlight the tell-tale signs of a victim. The front-line supervisors (works managers and foremen) were tasked to identify actions that they would take to raise awareness of the risk and increase vigilance.

We have a dedicated confidential whistleblowing helpline, which is available 24 hours a day and is independently managed to ensure confidentiality. There were no reports of human rights, slavery or human trafficking via the whistleblowing line in 2018.

In addition to our whistleblowing helpline our Employee Assistance Programme (EAP) is available to provide support to all supply chain partners as well as Costain employees on issues such as financial, legal, workplace, consumer, family and health. Over 20,000 employees and supply chain partners working on Costain contracts have access to the free confidential 24/7 advice service, providing additional emotional support through telephone or face-to-face counselling sessions.

All employees and supply chain staff are made aware of the support available from the EAP programme as part of the induction process and have access to an online portal where they can go for mini-health checks, personalised health risk assessments and have access to fact sheets on a broad range of health topics.





## Risk assessment

Our risk assessment indicates that our exposure remains unchanged and is highest within our supply chain. We complete a supply chain risk assessment that looks at the goods and services we procure, reviewing the likelihood of the following three traits of slavery and human trafficking occurring within a supplier organisation:

- unfree recruitment
- work and life under duress
- impossibility of leaving an employer.

The supplier categories that we believe pose our highest risk are those who provide labour in its various forms. This conclusion is consistent with the industry insight and advice we have obtained from experts.

In 2017 we focused on making sure that our suppliers were legally compliant with regard to their statements. This year we have taken this a step further and are working with suppliers to ensure they have action plans in place to prevent unethical labour practices.

We have further developed the modern slavery awareness module for Costain's Supply Chain Academy (SCA). The SCA supports small and medium enterprises (SMEs) through 22 modules of free industry best practice training, including a dedicated module on slavery and human trafficking awareness. The training uses materials from Stronger Together and has helped the business leaders to develop a 50-point action plan to take away and implement.



## KPI's

- 0 cases reported
- 100% of strategic partners with a turnover >£36m have a modern slavery statement
- 87% of identified employees have completed modern slavery awareness training



## Governance

Maintaining a high calibre supply chain is crucial for Costain to help reduce risk and to develop high performing strategic relationships. There are two supplier assessment routes:

- externally via Achilles, a reputable accreditation scheme provider (Building Confidence being the preferred option, or UVDB, FPAL or Link-up)
- internally via the Costain materials, plant or subcontract questionnaire (PQQ).

All preferred and strategic partners must be accredited in one of the latter Achilles schemes.

Achilles as an independent partner verifies our preferred and strategic partners against our sustainable procurement requirements. Achilles provide data to our buyers, identifying areas for concern, potentially influencing procurement decisions. Achilles also completes supplier audits on behalf of Costain, this process includes compliance with the Modern Slavery Act.

The Costain pre-qualification questionnaire (PQQ), is used to verify our supplier base who are not classed as strategic partners or preferred suppliers. The PQQ requires suppliers to provide copies of their Modern Slavery statement as part of the process.

In December, our procurement processes and procedures were assessed to ISO 20400:2017 Sustainable Procurement. Independent assessment against the guidance standard has helped us to develop an action plan to further improve our procurement processes and ensure that modern slavery and ethics features prominently.

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100% of strategic partners with a turnover >£36m have a modern slavery statement.



## Next steps

Sharing best practice across the industry is an important step to help increase awareness, raise standards and reduce risk. We will also continue to work with our clients, joint venture partners and suppliers to share best practice.

In 2019, we plan to host an ethical labour supplier event, where we will work with higher risk suppliers and key experts such as the GLAA, Supply Chain Sustainability School and Bright Future.

We have set a target that 100% of our relevant strategic supply chain partners will sign up to the GLAA's Construction Protocol to ensure greater collaboration in preventing unethical labour practices.

Our Supply Chain Academy will continue to support SMEs and we will deliver further modern slavery awareness modules.

This statement covers the period 1 January 2018 to 31 December 2018 and has been approved by the board of directors of Costain Group PLC.

Andrew Wyllie CBE  
Chief Executive



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Publication date 1 March 2019