



Board Diversity Policy

Costain Group Plc (Costain) recognises the benefits of diversity in the boardroom as well as throughout the business. We believe that diversity in all its forms is a strategic business issue and is essential for introducing different perspectives into our debates and decision making.

All new Board appointments are made on merit by assessing candidates against measurable objective criteria and we strive to maintain a Board which has Directors with a broad range of skills, backgrounds and experience and therefore reflects diversity in the broadest sense.

The Board supports the recommendations set out in the Hampton- Alexander Review requiring FTSE 350 Boards to have at least 33% female representation by 2020. At the date of adoption of this policy, the Board currently has 43% female representation. The Board therefore has a specific objective to maintain at least 33% female representation going forward.

The Board also aims to meet the Parker Review target for FTSE 250 Boards to have at least one BAME (Black, Asian and Minority Ethnic) director by 2024. Currently the Board has one Director who is Mixed White Asian.

The Board places high emphasis on the importance of developing broad diversity in the senior management within the Group and therefore oversees the Group's aim to ensure 33% female representation within senior management positions across the group by 2020. The Board is also committed to increasing the pipeline of diverse talent within the organisation by embedding diversity and inclusion in our leadership and development programmes, succession planning and talent management activities.

Costain has a clear action plan in place to increase female representation across the organisation and to close its gender pay gap. Initiatives include providing mentoring and targeted development programmes for female talent, attracting diverse shortlists for senior appointments and ensuring unbiased career progression opportunities.

Diversity objectives are monitored by the Board and are built into the performance measures of the executive leadership team.

As required under the UK Corporate Governance Code, we will report annually on board diversity within the Costain Group plc Annual Report.

This policy has the full support of the Chair and the Board of directors.