Foreword

At Costain, inclusion is a critical enabler for our success in ensuring that firstly we have a diverse team, as diverse teams deliver better results; and secondly that every member of our valued team is able to be at their best and to achieve their potential. It is important that no one is disadvantaged or excluded because of who they are, and that everyone can feel a valued member of our team. Being inclusive will allow us to retain, attract and realise the potential of our diverse teams at every level of Costain.

Feeling included is fundamental to the social and mental wellbeing of our team members. We are committed to having an inclusive working environment and culture where people feel able to be themselves at work, have the freedom to voice their ideas – in turn encouraging innovation and improvement.

Building an exceptional inclusive culture is crucial to Costain’s success. We succeed through having the best teams working together, in developing innovative solutions for our clients and working in ways that make us safer, faster, greener, and more efficient.

Our population of female senior leaders has more than doubled over the last five years from 12% to 31%. For the first time ever, women represent over half of our executive board. In 2021, we have been awarded the Times Top 50 Employer for Women for the fourth year in a row.

We recognise that we need an intersectional approach to inclusion and are dedicated to making Costain a great place to work for everyone.

Alex Vaughan,
Chief executive officer
The New Era of Inclusion

In 2020, we saw the COVID-19 virus change the way our business operated. We embraced technology for remote working, our working patterns became agile and our jobs and personal lives collided. As we respond and recover from the pandemic, we are committed to continuing to promote individuals to work dynamically, recognising that working patterns and behaviours have changed.

The pandemic has highlighted the different needs across our diverse workforce. Alongside the Black Lives Matter protests, the pandemic underlined the systemic inequality for black, Asian and minority ethnicities. More recently, we have seen the movement for women’s safety on our streets and evidence of people with disabilities and long-term health conditions have come to the forefront as the most likely to be excluded from work due to inherent prejudice in the system.

Having a diverse team will give Costain a leading edge in the market. Studies have shown that companies in the top quartile for gender diversity are 15% more likely to have financial returns above their respective national industry mean average. Companies in the top quartile for racial and ethnic diversity are 35% more likely to have financial returns above their respective national industry median average.

Creating an inclusive culture is key attracting and retaining diverse talent and enhancing our employees’ wellbeing so that everyone can flourish at work. We want to all members of our team feel able to contribute, so that every individual’s knowledge, skills and experience can be brought to the table. A diverse team will perform better and enable us to create smarter solutions for our clients.

We continue to focus on remaining inclusive even when teams are physically apart. We will empower teams to make decisions on their working patterns, enabling individuals to manage their work around parenting and caring responsibilities, health conditions, disabilities, and professional development opportunities.

Our Employee Networks are integral to supporting, educating and connecting our colleagues across the spectrum of diversity and continuing to drive change. We have been a Times Top 50 Employer for Women four years in a row. We are a Stonewall Diversity Champion and Disability Confident Committed. We continue to support Working Families and have a Gold Award from the Defence Employees Recognition Scheme.

We also recognise our influence on the industry and in 2020, we publicly became a signatory to the following pledges for diversity and inclusion:

- The Valuable 500
- Women in Rail’s/Rail Industry Association EDI Charter
- Confederation of British Industry (CBI) Change the Race Ratio
- Business in the Community (BITC) 2020 Race at Work Charter

Despite our progress in this inclusion journey, we acknowledge that we still have a lot to do to be a fully inclusive employer. Below we have listed our current population diversity statistics against our target population diversity by 2024. In 2024, we will review our achievements, and set our new ambitions for the following years.

<table>
<thead>
<tr>
<th></th>
<th>2021 Q1</th>
<th>2024 target</th>
</tr>
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<tbody>
<tr>
<td>Female % of total population</td>
<td>26%</td>
<td>33%</td>
</tr>
<tr>
<td>Female % of management population</td>
<td>20%</td>
<td>33%</td>
</tr>
<tr>
<td>Female % of senior leadership population</td>
<td>36%</td>
<td>40%</td>
</tr>
<tr>
<td>Female no. executive team</td>
<td>5</td>
<td>4</td>
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<tr>
<td>BAME % of total population</td>
<td>10%</td>
<td>14%</td>
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<td>BAME % of management population</td>
<td>4%</td>
<td>14%</td>
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<td>BAME % of senior leadership population</td>
<td>0%</td>
<td>5%</td>
</tr>
<tr>
<td>BAME no. executive team</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>LGBT &amp; of total population</td>
<td>1%</td>
<td>2%</td>
</tr>
<tr>
<td>Declared disability or long term condition % of population</td>
<td>&gt;1%</td>
<td>16%</td>
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We’ve made disability our business by signing up to The Valuable 500

CHANGE THE RACE RATIO

BUSESS IN THE COIMUNITY

The Prince's Responsible Business Network

Race at Work Charter signatory

We have signed The Rail Industry Equality, Diversity & Inclusion Charter

We are committed to Change the Race Ratio
### Our Goals and Ambitions

At Costain, we are dedicated to becoming a truly diverse business with an overarching ambition of having an employee population which is representative of the communities in which we operate by 2030. To achieve our ambition we have set ourselves incremental targets to keep us on track as part of our implementation plan.

#### Our ambitions

- To achieve a population representative of the communities in which we operate, by 2030 to ensure that we have an inclusive culture and a diverse team which has equal opportunity to progression.
- To champion visible allies across the group, and set a culture of calling out discrimination.
- To eliminate the disparity in pay between our white and non-white colleagues.
- To remove barriers against disabled persons from entering or being within the workplace.
- To have a workforce with a wealth of differing experiences, giving diversity of thought behind our solutions.
- To eradicate gender stereotypes and disparity in pay between all genders.
- To create a workplace where colleagues are proud to be open about their sexual orientation, gender identity and gender expression.
- To establish a culture where employees are empowered to make decisions about their work routine around their caring responsibilities.

#### Our medium-term goals

- By 2024, we will:
  - Diversify our population to be 33% female, 14% BAME, 2% LGBT+ and 16% declaring a disability or long-term condition
  - Develop a management population which is 33% female and 14% BAME
  - Grow our senior leadership population to be 40% female and 5% BAME
- In 2021, fifty of our senior leaders will undertake allyship training as part of our new Active Allies Programme. All employees will be a member of an Employee Network by 2024 and every team will have a visible active ally.
- We will publish our Race Pay Gap Report in 2022, ahead of reporting becoming a legal requirement.
- We will become a Disability Confident Employer by the end of 2021, and a Disability Confident Leader by 2024.
- We will achieve a Gold award in the Defence Employers Recognition Scheme in 2021.
- We will further reduce our Gender Pay Gap as part of our Female Empowerment Programme, and strive to retain our position as a Times Top 50 Employer for Women.
- We will better our LGBT+ inclusion, evidenced by improving our Stonewall Workplace Equality Index and retaining Stonewall Diversity Champion status.
- We will rank in the top 30 of the Working Families Top Employers Benchmark.

#### Our long-term goals

- By 2030, the diversity of our employee population at all levels of the organisation will be fully representative of the communities in which we operate:
  - 51% female
  - 16% BAME
  - >5% LGBT+
  - >20% declaring a disability or long-term condition.
- We will be an industry-leader in equality, diversity and inclusion matters, and clients' first choice for inclusive solutions.
Roadmap to inclusion

The road map below depicts our inclusion journey so far and highlights the further actions we need to take. The implementation plan behind this road map sets out the actions to meet the milestones needed to achieve a Costain team which is representative of our communities and a workplace which is inclusive of all.

2021

- Maintain external inclusion accreditation and use these assessments as a benchmark for continuous improvement.
- Enable a fully data driven approach towards our activity to champion an inclusive environment and behavioural culture.
- Develop a high-performing workforce which is representative of society and known for its smarter and more inclusive solutions for clients.
- Become an industry-leader in equality, diversity and inclusion matters, and clients’ first choice for inclusive practice.

2016

- Diversity and Equality Policy released.
- Women’s Network and Parents and Carers Network launched. Marched at Pride in London for the first time.
- Inclusion Board established. LGBT+ & Allies Network launched.
- Inclusion Strategy released.
- REACH Network launched.

2022

- Equip a leadership pipeline of talented and diverse individuals to meet 2024 targets.

2023

- Become a Disability Confident Employer.
- Launch Services and Services Families Network.
- Achieve Defence Employers Recognition Scheme Gold Award
- Attain a national inclusion accreditation.

2024

- Evaluate achievement of 2024 diversity targets and set new targets for 2026.
- Become a Disability Confident Leader
- All employees are a part of an employee network.

2026

- Evaluate achievement of 2028 diversity targets set new targets for 2032.
- Demonstrate the value of diverse teams within the business.

2028

- Diversity of our employee population and Board is representative of the communities in which we operate.

2030

- Become a Disability Confident Leader.