

Modern slavery and human trafficking

Statement 2025

Together we **shape, create, deliver**

This statement has been published as per Section 54(1) of the Modern Slavery Act 2015, covering the period 1 January 2025 – 31 December 2025.

This statement sets out our approach to preventing slavery and human trafficking from occurring in the Costain business and supply chain. This statement is made on behalf of Costain Group PLC (Costain), including entities:

- Costain Limited
- Costain Engineering and Construction Limited

This statement is made on behalf of Costain Group PLC, Costain Limited, and Costain Engineering and Construction Limited and was approved by the Costain Group PLC Board on 04 March 2026.

Alex Vaughan
Chief Executive Officer

Our business

Costain has been improving people's lives for more than 160 years by creating connected, sustainable infrastructure that enables people and the planet to thrive. We deliver engineering solutions via long-term strategic partnerships with customers across their asset lifecycle in our chosen markets of transport, water, energy and defence. Costain are creating a sustainable future by securing a more prosperous, resilient and decarbonised UK.

Being a responsible business, a trusted employer and community partner, and safeguarding our planet's future are fundamental principles that guide Costain. They shape how we deliver on our purpose to improve people's lives and our vision of a sustainable future. This approach is underpinned by our core values: integrity, customer focus, safety and wellbeing, and environmental and social responsibility.

Costain is a UK-based organisation, with c.3,000 direct employees and on average 13,500 supply chain colleagues working on our sites across the UK.

Further information about Costain can be found [here](#).

Upholding human rights

We set high ethical expectations of ourselves, our partners and our supply chain. We recognise that our efforts to prevent modern slavery and human trafficking are important to ensuring basic human rights are upheld, and that Costain remains compliant with the requirements of the Modern Slavery Act 2015 (the "Act").

The safety of our workforce is a core value for Costain and this extends beyond physical site safety to include psychological and personal safety.

We believe the risk of modern slavery occurring for our direct employees is low. However, with a large indirect workforce, we are alert to the higher risk of ethical labour abuses occurring within this larger group. Unethical labour practices are an industry risk and as such, we collaborate across the industry to tackle the wider societal challenge of modern slavery and human trafficking.

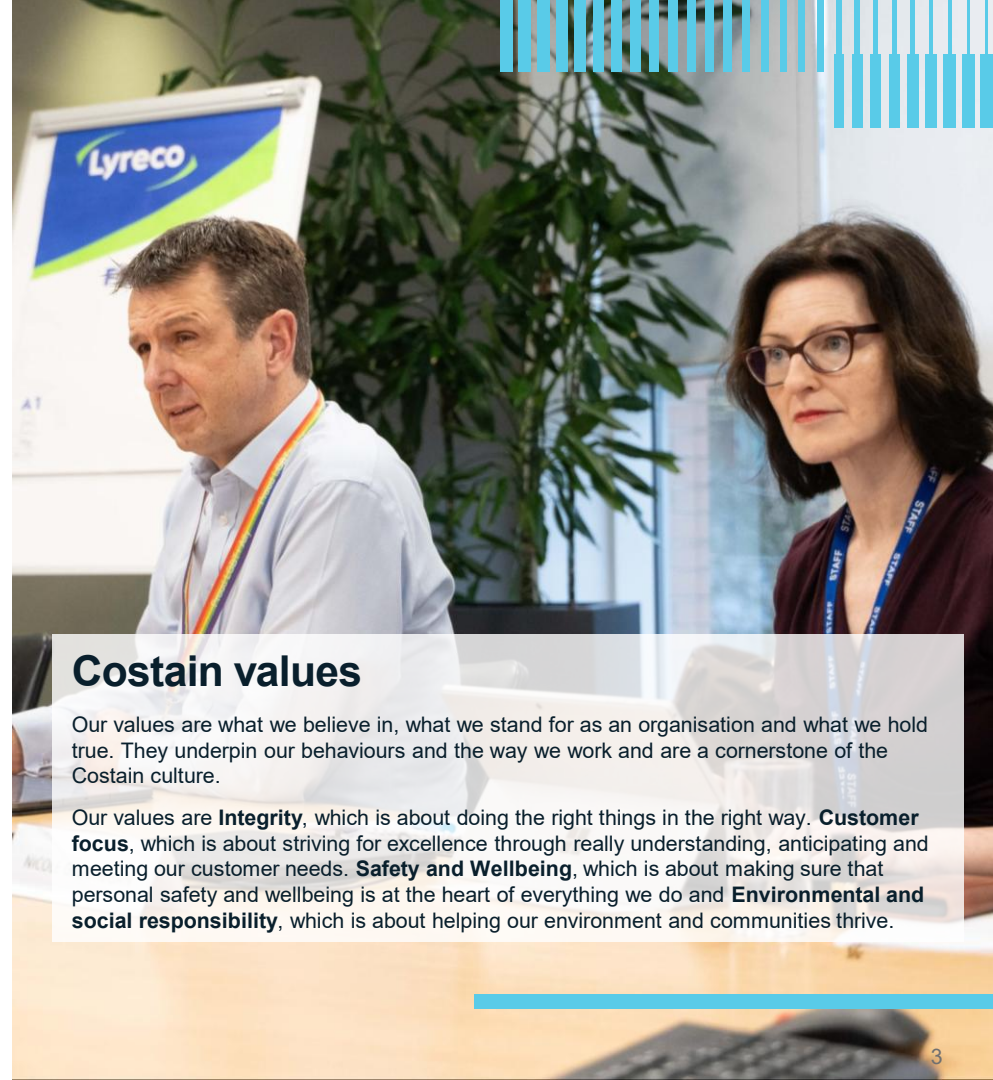
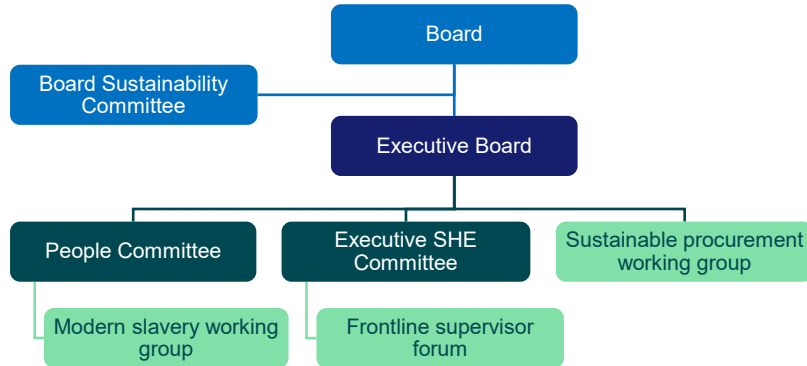
Human rights-related governance

Corporate governance is central to our responsible and value-oriented management and Board oversight activities.

Our governance structure enables accountability and responsibilities for human rights-related matters to be held at the right level. This delegates appropriate authority to manage risks to support local decision-making for operational matters.

The Board is accountable for policies, strategies, performance and receiving updates from the management team. In 2025 the Board approved the creation of a Board Sustainability Committee with delegated responsibilities from the Board. Costain's inaugural Sustainability Committee meeting took place in January 2026.

The Executive Board is responsible for the management of strategic risks and is supported by divisional leadership to manage operational risks, including those related to people or human rights. There are working groups in place to support operational delivery in managing risk, developing policy and sharing findings.



Costain values

Our values are what we believe in, what we stand for as an organisation and what we hold true. They underpin our behaviours and the way we work and are a cornerstone of the Costain culture.

Our values are **Integrity**, which is about doing the right things in the right way. **Customer focus**, which is about striving for excellence through really understanding, anticipating and meeting our customer needs. **Safety and Wellbeing**, which is about making sure that personal safety and wellbeing is at the heart of everything we do and **Environmental and social responsibility**, which is about helping our environment and communities thrive.

Policies

We have a range of policies that are cascaded to all employees annually, included in new joiners' inductions and can be viewed on www.costain.com. Our policies set out how we expect our people, partners and suppliers to behave and operate when representing Costain.

Each Costain policy has a specific executive director sponsor and a senior leader as the business owner. Of our twenty-one policies, several are relevant to preventing modern slavery and/or ethical labour issues.

In addition to our policies, we take a firm stance on corruption and bribery, employing a specialist fraud and ethics investigator, and operating an independent whistleblowing process to ensure that we maintain high standards in all areas. Costain's policy owners review the effectiveness of and compliance with our policies annually.

In addition to our policies, our code of conduct for suppliers sets out Costain's expectations for anyone working in contract with us. This includes matters such as health and safety, employee wellbeing, ethics and fair working conditions.

The Costain policies that are related to modern slavery or ethical labour are set out below:

- Costain's **social value policy** aligns with the UK Government's social value model, which has a priority theme related to tackling work inequality. Sponsor: Chief people and sustainability officer.
- The Costain **people policy** encompasses recruitment, development, reward, equality and diversity, health and wellbeing, compliance with labour/employment and data protection laws and regulations wherever we work. Sponsor: Chief people and sustainability officer.
- The Costain **ethical business conduct policy** covers bribery prevention, fair and open competition, insider dealing prevention, fraud prevention, and whistleblowing. Sponsor: General counsel and company secretary.
- The Costain **modern slavery and human trafficking policy** specifies the mandatory conditions of employment and contractual conditions for our suppliers. Sponsor: Chief people and sustainability officer.
- The Costain **sustainable procurement and supply chain policy** stipulates the conditions of all procurement activity, aligning outcomes to Costain's Sustainability programme. Sponsor: Chief financial officer.
- The Costain **counter fraud policy** was introduced in 2024 to set clear expectations that all Costain colleagues have a shared responsibility to prevent and report instances of fraud. Sponsor: General counsel and company secretary.
- Costain's **gifts and hospitality policy** sets out the expectation that our people must not be biased or perceived to be (e.g. in their relationships with suppliers or subcontractors). Sponsor: General counsel and company secretary.

Risk assessment

Annually we conduct a desktop review of Costain's procurement categories and future secured contracts to understand our exposure to ethical labour risks. In 2025 we concluded that our exposure to ethical labour risks remained unchanged with the most probable risk exposure being through our supply chain. The insight from our desktop review supports our category management approach.

The supplier categories that were considered to pose our highest risk are:

- General labour supply
- Formwork contractors
- Security
- PPE manufacturing
- Cleaning services
- Catering services
- Waste management and recycling
- Construction materials.

During 2025, we developed and implemented a sustainability risk, opportunity and prioritisation tool that supports a structured assessment of modern slavery and labour-related risks. The tool enables our teams to apply consistent professional judgment, helping them identify higher-risk areas and prioritise proportionate mitigation activities. This approach strengthens visibility of modern slavery risks within our supply chain and supports ongoing monitoring and continuous improvement.

The tool specifically seeks to identify the likelihood of the following indicators:

- Low-paid work
- Low-skilled work
- Use of temporary/transient labour
- Vulnerable demographic
- High-risk country sourcing

Any procurement packages that identify these indicators are subject to heightened risk mitigation requirements included within the tender process and are subject to auditing.



Industry collaboration

Robust procurement processes, policies, auditing and supplier engagement alone are insufficient to prevent this highly complex issue. By participating in industry working groups, we keep ourselves apprised of the latest trends and, where possible, share information and details of any action we have taken. Costain is a member or participant of the:

- Supply Chain Sustainability School Built Environment Against Slavery Group
- Supply Chain Sustainability School Labour Group
- RSSB Modern Slavery Solution Sharing Group.

Our workforce

While the majority of Costain's employees are permanently employed, we do utilise approved labour agencies to provide additional resources.

When onboarding any new employee (excluding agency sourced), our HR department, supported by Morson Group, undertakes a baseline personnel security standard (BPSS) assessment. For agency colleagues a risk-based judgement is applied, taking into consideration the service being provided, the duration of the commission and the client's market sector. The BPSS is the recognised standard for the pre-employment screening of individuals with access to government assets. The BPSS assessment includes Identity (ID); right to work (RTW) in the UK; employment history; and conviction checks.

All new colleagues undertake a thorough onboarding which includes signing an employment contract and receiving training on our code of conduct and our policies (including modern slavery and whistleblowing).

Real living wage

We are committed to paying our employees at least the real Living Wage, as set by the Living Wage Foundation.

We have written into our standard contract terms that sub-contractor labour working on a Costain contract must be employed as a PAYE employee and receive an hourly rate of pay no less favourable than set by the Construction Industry Joint Council for the Building Industry, the Civil Engineering Contractors Association or the recognised wage-fixing body which applies to the works. These rates are regularly reviewed and, as a minimum, are in line with the real Living Wage.

Strategic labour desk

We recognise that labour supply has historically represented an industry risk and to mitigate this, Costain operates a strategic labour desk. The strategic labour desk supports a more efficient approach to resourcing on our contracts and the reduction of people-related risks.





Supply chain due-diligence

Maintaining a high-calibre supply chain is crucial to Costain for the reduction of risk and the development of high-performing strategic relationships. 97.5% of our direct spending is with UK-registered companies who are classified as strategic, preferred, or verified suppliers as follows:

- 60 strategic supply chain partners
- 199 preferred supply chain partners
- 3,457 verified suppliers

The Costain pre-qualification questionnaire (PQQ) is used to verify our supplier base, requiring suppliers to provide copies of their associated policies and to confirm that employees are paid at least the real Living Wage as part of the process.

Suppliers must also complete a heat mapping exercise to identify risks and potential opportunities. Any trades/services that are identified as a high risk are audited before contracts are finalised. Costain supply chain managers work with our highest-risk suppliers, supporting them to raise awareness in their respective businesses, using training resources provided by the Supply Chain Sustainability School.

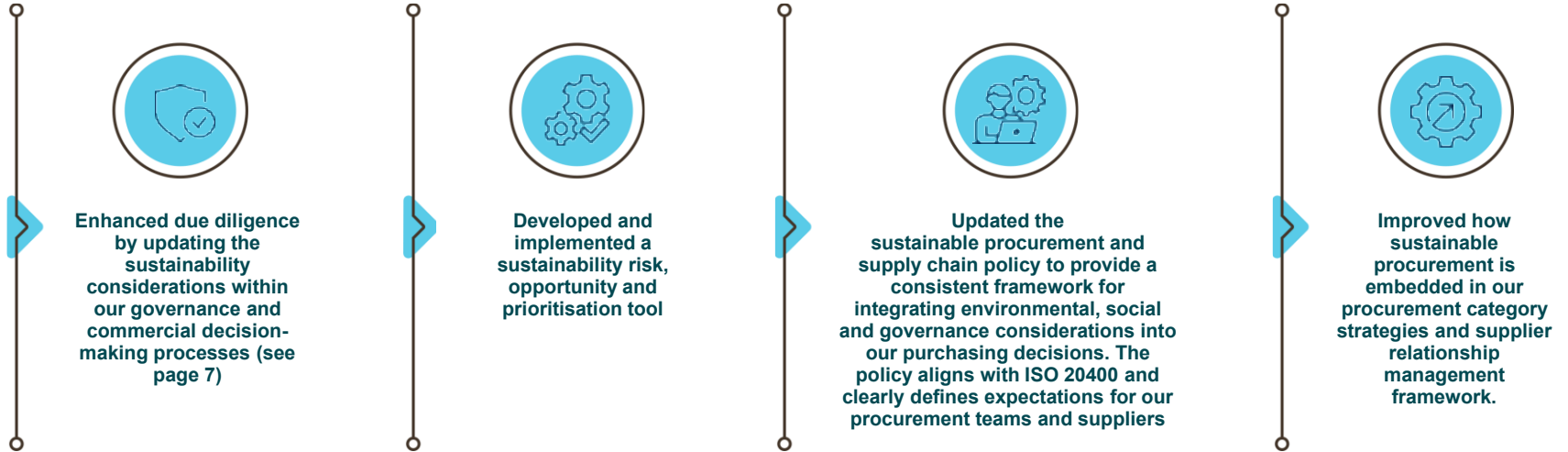
Clauses on employment, health and safety, human rights and modern slavery are included as standard in our contracts with suppliers. The clauses cover obligations on human rights and specifically on the prevention of modern slavery. They also include: the right to audit, the requirement to comply with UK law, even when outside of the UK; the requirement to maintain policies and procedures; obligation to carry out right to work checks; and the keeping of employment records.

We regularly monitor external media and use screening services to check for reports, fines, or sanctions against our suppliers, as well as any intelligence gained via our industry collaborations.

In 2025, we updated the sustainability considerations within our governance and commercial decision-making processes and balanced scorecard. These updates have strengthened the visibility of sustainability, ethical and labour related risks at key decision points and has supported a more proactive, consistent approach to identifying, assessing and managing modern slavery risks across projects and procurement activities.

2025 in summary

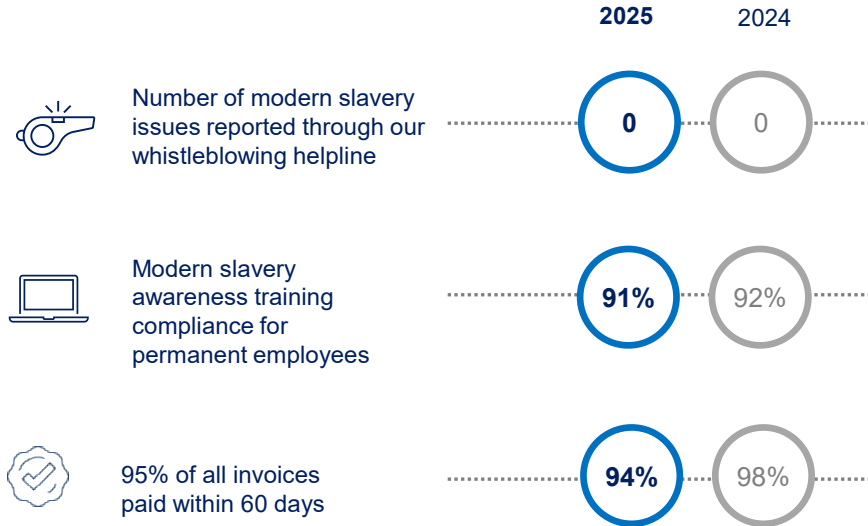
In 2025 we refreshed our modern slavery working group with new membership and formed a new sustainable procurement working group (see page 3), which between them took the following actions:



As reported in 2024, our customers continue to increase scrutiny on modern slavery through their tender criteria and Costain's Cabinet Office modern slavery assessment score improved again to 78% in 2025 (2024:77%) reflecting the actions taken, as disclosed in current and previous statements.

KPIs

We regularly monitor the following KPIs and report our progress annually. We have ceased monitoring the percentage of strategic partners publishing a modern slavery statement, as it did not offer useful insight.



Looking ahead

The work completed in 2025 has provided clarity, direction and momentum, establishing sustainable procurement as a core part of how we deliver for our customers. In 2026, we will be taking the following actions:

- Developing a new remediation policy
- Conducting a table-top exercise to test the robustness of our escalation process
- We will continue to refine our approach to supplier relationship management, which will include engagement activities designed to support upskilling and building capability to mitigate the risk of modern slavery within our supply chain
- Embedding sustainable procurement requirements in subcontract process and our how-to-buy processes, which includes the identification and management of modern slavery risks
- Refining and embedding a procurement balanced scorecard into procurement processes, which will support modern slavery due diligence activity
- In collaboration with peers, we will be undertaking targeted SME modern slavery training
- Improving our risk assessment processes and embedding them across our sectors to ensure that we are undertaking targeted and effective due diligence activities (including audits).



Modern slavery statement

2025

[costain.com](https://www.costain.com)