



Integrated pay gap report

Gender and ethnicity 2025

COSTAIN





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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 is creating a sustainable future by enabling 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.

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



Costain's integrated gender and ethnicity pay gap reporting

The figures quoted in this report are for all Costain Group companies as of 05 April 2025. On this date, the Costain Group employed 3,054 employees, with one trading entity employing more than 250 people. As per our statutory reporting responsibilities, we have disclosed the gender and ethnicity pay gap figures for Costain Engineering and Construction Ltd on page 8.

There is currently no statutory requirement to report our ethnicity pay gap, however, we are disclosing this for the fourth consecutive year because we believe transparency is core to being a responsible business.

This report 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.

Foreword

Alex Vaughan
Chief Executive
Officer



We have an ambition that our diversity will be reflective of society because we know this will make us a better business. We know that to eliminate our gender and ethnicity pay gaps requires us to have a fully representative and proportional workforce at all levels.

But it is not just about being more diverse. We are invested in being an inclusive employer and are working hard to make sure Costain is a safe and great place to work, where people can be at their best and thrive.

We are pleased to report that our 2025 median gender pay gap decreased by 3.3 percentage points year-on-year and our median ethnicity pay gaps have also decreased over the same period. These decreases are a result of the hard work we have put into our development programmes to unlock talent and enabling our colleagues to thrive in their careers at Costain.

But there is much more to do. With a strong 75% response rate, our annual employee survey provides a robust and representative insight into employees' experiences and perceptions. This level of engagement allows us to identify patterns and potential barriers that may be contributing to our gender and ethnicity pay gaps, such as differences in progression, access to development, or experiences of flexibility and inclusion.

The feedback helps us to design targeted, evidence-based actions that support fair pay, improve equity across roles and levels, and ensure our gender and ethnicity pay gap initiatives are informed directly by the voices of our workforce.

Building from the highly insightful listening circles held with our Religion, Ethnicity and Cultural Heritage (REACH) network, in 2025, we held targeted listening circles for women working in specific roles. The listening circles enable us to gather first-hand insight into the factors influencing attraction and retention, and ensure our gender pay gap initiatives are informed directly by the voices of our workforce. The feedback reinforced the value of strong team culture and development opportunities, while clearly identifying barriers related to inclusivity, flexible working, career pathways and work-life balance. These insights provide a robust evidence base to inform action.

In 2026, we will continue prioritising the delivery of longer-term interventions designed to improve the progression and retention of women and ethnic minorities in operational roles which we believe will contribute to sustained, measurable progress in reducing our pay gaps over time. On page 8 we explain the action we are taking in 2026 and beyond.

Understanding how we calculate our gender and ethnicity pay gaps

What do we mean by gender pay gap?

The gender pay gap is a measure designed to show the difference between the gross hourly earnings for all men in an organisation and the gross hourly earnings for all women.

What do we mean by ethnicity pay gap?

The ethnicity pay gap is a measure designed to show the difference between the gross hourly earnings for all white employees in an organisation and the gross hourly earnings for ethnic minority groups in an organisation.

What is included in our hourly pay?

Hourly pay includes basic pay, car allowances, shift pay, on-call and stand-by allowances. Excluded are payments for overtime, redundancy, benefits-in-kind and family or sick leave.

What do we mean by gender bonus gap?

The gender bonus gap is the difference between the average bonus received by men and women across Costain.

What do we mean by the ethnicity bonus gap?

The ethnicity bonus gap is the difference between the average bonus received by white employees and employees from different ethnic groups across Costain.

It is not an equal pay calculation

Confusion still exists over the difference between the gender/ethnicity pay gap, and equal pay. Even in the media it is not uncommon for the two to be confused. Equal pay means that men and women in the same employment performing equal work must receive equal pay, as set out in the Equality Act 2010.



Understanding how we calculate our gender and ethnicity pay gaps



Our approach to gender pay gap

Our gender pay gap figures currently report the binary gender identities of men and women.

The current gender pay gap legislation does not cover the reporting of non-binary employees. Costain has omitted non-binary identities from the calculation, in line with Government Equalities Office advice.

Our approach to ethnicity pay gaps

Our ethnicity pay gap figures have been calculated for the following groups:

All Black: Black/Black British

- African
- Caribbean
- Any other Black/Black British background

All Asian: Asian/Asian British

- Chinese
- Indian
- Pakistani
- Any other Asian/Asian British background

All mixed heritage and other ethnicities

- Arab
- White and Asian
- White and Black African
- White and Black Caribbean
- Other multiple ethnic groups
- Other ethnic groups

Unknown ethnicity

- Unknown
- Prefer not to say.

Those in the Unknown ethnicity category represented 4.2% of the employee population on 05 April 2025 (2024:5.2%).

The pay gap is calculated in comparison to the “all white” group, which comprises:

- British
- Gypsy or Irish Traveller
- Other white background.

Gender

On the measure of gender pay gap Costain remains in line with the wider UK construction sector, which continues to report some of the highest gender pay gaps in the economy due to longstanding gender imbalances in technical and senior roles. While our progress demonstrates that the actions we are taking, such as increasing female representation in higher-paid roles and strengthening progression pathways, are having an impact, we recognise that significant work remains.

Black Employees

The reduction in the mean and median ethnicity pay gap for Black colleagues indicates improved representation in higher-paid roles and a more balanced pay distribution across grades. However, under-representation in senior and specialist roles remains a sector-wide challenge.

Asian Employees

The reduction in the median ethnicity pay gap for Asian colleagues suggests improvements in pay progression, retention and career development across core professional and operational roles. The marginal increase in the mean gap reflects continued under-representation at senior and specialist levels, where pay is highest.

Mixed & Other Heritage Employees

The significant reduction in the median ethnicity pay gap for Mixed and other heritage colleagues suggests earning closer to their White peers, with progress evident across the typical employee experience rather than being driven by outliers.



Costain Group PLC gender pay gap (2022-2025)



	2022	2023	2024	2025
% Mean	21.85	15.81	21.09	17.69
% Median	26.63	24.42	26.66	23.35

Costain Group PLC ethnicity pay gaps (2022-2025)



We have not calculated a single pay gap for ethnicity as we recognise that different ethnic groups have different experiences of reward and progression in the workplace. Therefore, we have reported the pay gaps for all Black, all Asian, all Mixed and other heritage employees to provide us with a greater understanding of these experiences so that we can take targeted action to address our ethnicity pay gaps.

All Black Employees

% Mean	22.15	21.31	24.81	20.35
% Median	20.28	20.03	17.32	12.49

All Asian Employees

% Mean	12.87	12.56	16.70	17.39
% Median	12.12	13.87	17.77	14.68

All Mixed and Other heritage employees

% Mean	17.4	21.06	17.19	10.89
% Median	15.5	16.95	14.52	8.29

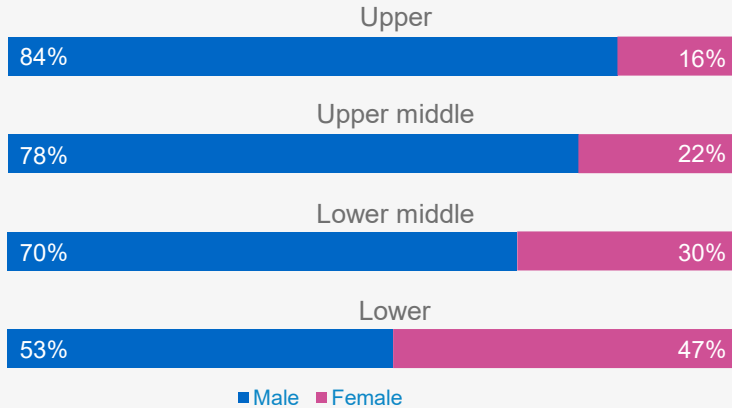
Costain Group PLC 2025

Gender quartile representation

In 2025, women represented 31% of our employee population, increasing from 29% in 2024. 42% of Costain's senior management roles and 43% of our Executive Board were held by women.

Costain's focus on unlocking talent has helped to support the increased female representation in the lower middle and upper pay quartiles compared to 2024. To shift the dial on gender representation in senior project roles which form a large proportion of colleagues in the upper middle pay quartile, targeted development programmes are in place, and we believe will contribute to unlocking the careers of diverse talent in the future.

The below graph shows the distribution of genders within each pay quartile.



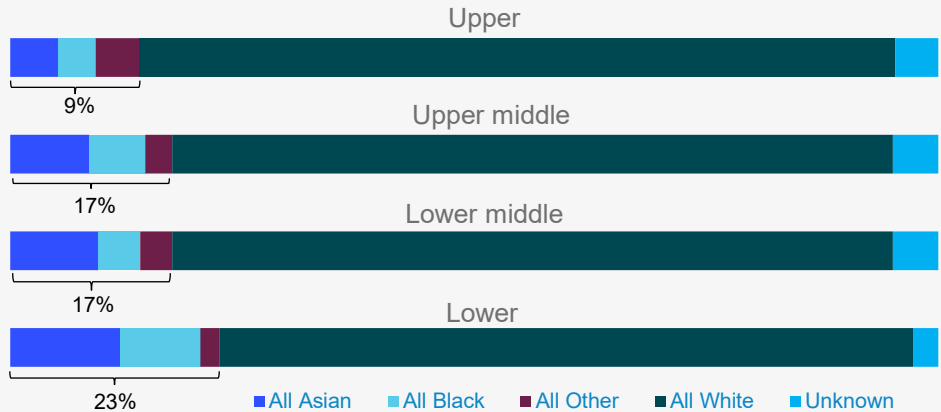
Costain Group PLC 2025

Ethnicity quartile representation

At 17.3% (2024:16.5%) ethnic minorities are steadily increasing as a proportion of our employee population (5% Black colleagues, 9% Asian colleagues, 2% Mixed Heritage and Other Heritage colleagues).

The increase in the total population of ethnic minorities can be seen across all pay quartiles, which each respectively increased in representation, though the largest increase was seen at the lower pay quartile.

The below graph shows the distribution of ethnicities within each pay quartile.

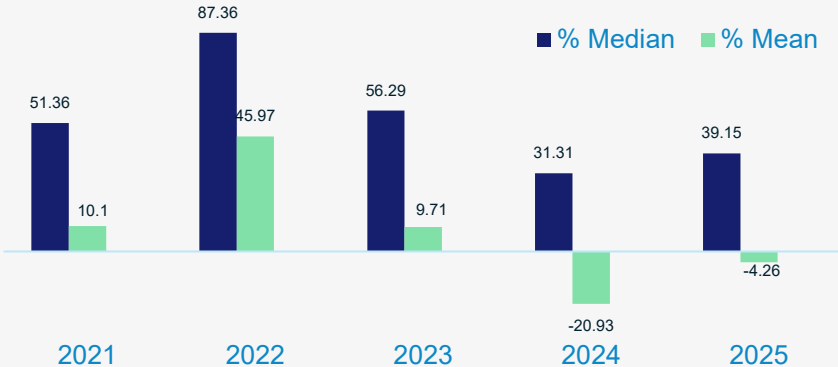


Costain Group PLC 2025

Gender bonus pay gap (2021 - 2025)

Percentage mean and median gender bonus pay gap over the last 5 years

In 2025, we saw an increase in the median gender bonus gap of 7.8 percentage points, and we have a negative mean bonus pay gap for women, as reflected in the figure below. While there was an increase in colleagues both male and female receiving bonuses, the median bonus gap increased. The increase in part is related to the greater proportion of males being awarded a bonus and the unequal gender distribution across the upper and upper middle pay quartiles.



The bonus pay gap is calculated on the bonuses paid during the financial year up to 31 March 2025.



Percentage of employees receiving a bonus by gender over last 5 years

In 2025 there was an increase in the proportion of both men and women receiving a bonus payment, reflecting the positive performance of the business. This has increased notably over the period as business performance has improved.

Please note that we currently do not calculate bonus figures through an ethnicity lens but may look to report these in future.



Costain Group PLC 2025

Costain reporting entities

GENDER PAY GAP	2024	2025	Change
% MEDIAN	24.21	22.21	-8.26
% MEAN	19.66	16.62	-15.46

GENDER BONUS GAP	2024	2025	Change
% MEDIAN	36.04	39.15	8.62
% MEAN	-25.51	-4.26	83.30
% Male receiving bonus	22.80	22.38	-1.84
% Female receiving bonus	10.94	13.18	20.47

SALARY QUARTILE BY GENDER	% Male in quartile 2025	% Female in quartile 2025
Upper quartile	80.19	19.81
Upper middle quartile	77.57	22.43
Lower middle quartile	67.86	32.14
Lower quartile	50.47	49.53

Planned actions

To continue closing our pay gaps, in 2026 we will be:

- Strengthening recruitment from diverse talent pools, particularly into technical and site-based roles
- Supporting internal progression routes, including professional accreditation, supervisory development and chartership support
- Continue reviewing pay, promotion and performance-related decision-making for bias
- Building retention and career visibility through mentoring and sponsorship for under-represented groups
- Strengthening gender equity outcomes, by developing meaningful conclusions and targeted actions informed by our Women's Listening Circles. Also, trying new approaches to move the dial on gender representation across all career grades. This will include considering creative approaches to flexible working and job sharing to create a greater work-life balance culture.
- In connection with the 2025 engagement survey outcomes, to continue to bring an EDI lens to the outcomes to better understand the survey feedback across different colleague groups (and their experiences of Costain)





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