



# Gender Pay Gap Report 2019

Smart thinking,  
improving people's lives

**We have a clear goal to have a workforce that is representative of society and we have a strategy that sets out the actions we need to take to achieve this. Reducing our gender pay gap is integral to achieving our ambitions.**

We are pleased to report, in this, our third gender pay gap report, that our gender pay gap has reduced again for the third successive year. On 5 April 2019 the median pay gap in hourly pay between men and women in Costain Group companies was 23.65%.

While I am pleased that our pay gap has continued to reduce, I am confident that there is more that can be done to reduce it. We are committed to closing our gender pay gap and ensuring that we have a truly diverse team that can meet the changing needs of our clients.

Our goal is to ensure Costain is a safe, inclusive and great place to work, where everyone can be at their best. In 2019, we launched our the next phase of our Inclusion strategy, setting out clear targets and actions to make our workplace more diverse and inclusive. These focus on our culture, behaviours and values, and includes targets to improve the representation of women at all levels of the business.

In recognition of our work to ensure we are a fair and equal employer, we were proud to be named in The Times Top 50 Employers for Women list for the second consecutive year, as well as receiving a BITC Gender Game Changer award for our work to ensure parity in early careers recruitment.

I confirm that the gender pay gap data contained in this report for Costain Group PLC companies is accurate and has been produced in line with mandatory requirements.



Alex Vaughan ,  
Chief Executive  
Chair of the Costain  
Inclusion Board

*At Costain, there are two employing entities required to publish gender pay gap data and they are detailed on page 10 and 11. We have also taken the opportunity, below, to voluntarily publish the consolidated data for Costain in the UK.*

*The figures quoted in this report are for all Costain Group companies as at 05 April 2019 and the bonus gap in the 12-month reference period to April 2019, i.e. for the 2018 performance year.*



## 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. This is different to equal pay, which compares pay for men and women doing the same work.



### What's 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 and benefits-in-kind along with employees on 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 is the mean?

The mean average involves adding up all the numbers and dividing the result by the number of values in the list. We calculate the mean average for both men's and women's hourly pay and report the percentage difference.

### What is the median?

The median involves listing all the numbers in numerical order. The median is the middle number. We calculate the median for both men's and women's hourly pay and report the percentage difference.

## Our Gender Pay Gap

The difference in hourly pay between men and women at Costain Group is:

### Overall Pay Gap

	2019	2018	Change
% Median	23.65	24.25	-0.60
% Mean	20.46	22.05	-1.59

## Our Bonus Gap

The difference in annual bonus pay between men and women is:

### Bonus Gap

	2019	2018	Change
% Median	51.30	43.75	7.55
% Mean	45.78	51.99	-6.21

## Our pay quartiles

The below graphic illustrates the gender distribution at Costain Group across four equally sized hourly pay quartiles from lowest to highest.

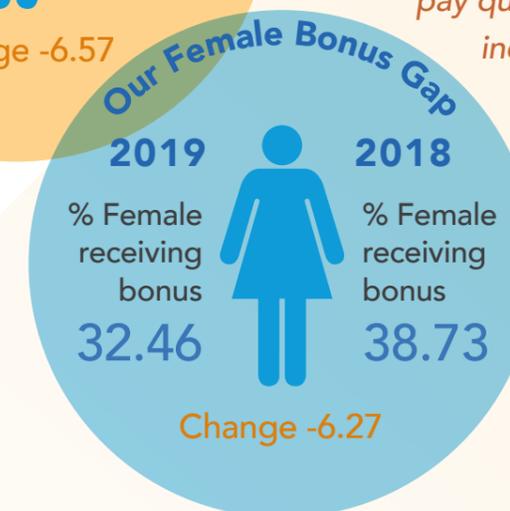
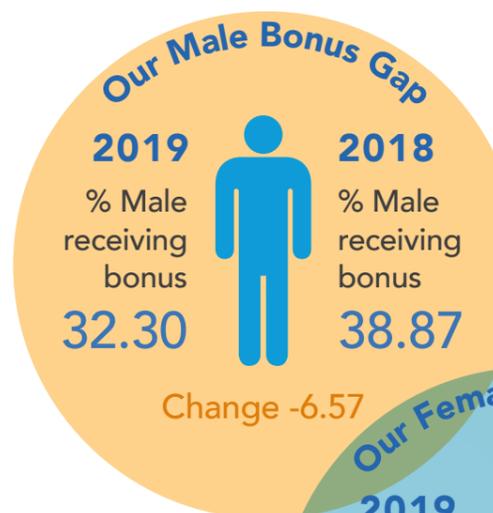
% Male quartile 2019		% Female quartile 2019	
Upper Quartile	87.50%	Upper Quartile	12.50%
Upper Middle Quartile	82.84%	Upper Middle Quartile	17.03%
Lower Middle Quartile	75.00%	Lower Middle Quartile	25.00%
Lower Quartile	64.71%	Lower Quartile	35.29%



### What does this mean?

Costain Group's median gender pay gap has reduced by 0.60% from 2018. Women in Costain account for 25% of our total employees, which despite increasing over the last three years, means we still have an unequal employee population.

In 2019 we increased the number of women in the upper and middle pay quartiles, however these were incremental increases. The lack of female representation at senior levels continues to contribute to our current gender pay gap and is an area that we are addressing in our 2024 Inclusion strategy.



## What have we done?

In 2019 we launched our Inclusion strategy, centred around four pillars that will make Costain a great and inclusive place to work:

- Evaluate and evolve
- Educate and engage
- Lead by example and empower
- Inclusive environment

The gender related actions that we have taken in 2019, which we believe will help to close our gender pay gap, are detailed over leaf.

### Evaluate and evolve

Evaluate our current position and be open and accepting of results. Evolve through measurable targets. Based on HR data and People Survey data.

- Our data shows that women are not progressing at the same rate as men through the organisation. We have continued to put programmes in place, including: a role models campaign; a mentoring programme; new governance for promotions. Action plans were created for over 50 of our high potential females which include targeted training, mentoring and managed job rotation to encourage individuals to realise their full potential.
- We completed company-wide talent reviews to identify our future talent and leaders. Employees are assessed in terms of their performance and their potential to progress to more senior roles in the organisation. As part of the process our leadership teams monitor the diversity profile of their talent pipeline, ensuring that under-representation is addressed.
- The make-up of our development programmes, including the number of women applying and securing places on our development programmes is closely monitored. In 2019, 47% of successful candidates taking part in our Emerging Leaders programme were female.

### Educate and engage

Engage staff at all levels to ensure they have an understanding of Costain's vision for diversity and inclusion and that they understand the differing needs of their colleagues, reports, clients and end users. Educate staff at all levels to understand the value of Inclusion to Costain and the business principles behind it.

- To engage a more gender balanced response to our recruitment applications, we have continued to review our job advertisements. We now focus on finding out about individuals rather than stating pre requisite 'you will need to have' criteria.
- We have worked hard to celebrate female role models within Costain, producing a campaign of case studies and utilising digital media to enhance their reach and effectiveness. The campaign aimed to educate colleagues about the specific challenges that women face in the workplace.
- Externally, our role models continue to attend industry, careers and media events to help to promote and encourage women of all ages into our industry. In 2019 Costain colleagues engaged over 20,000 young people through STEM (science, technology, engineering and maths) activities.

## Our 2019 highlights at a glance



Named in The Times Top 50 Employers for Women 2019 for a second consecutive year



Named as a Gender Game Changer in the BITC Awards 2019

**43%** of our PLC board are female, exceeding the 2020 Hampton-Alexander target for female board representation

**47%** of our Emerging Leaders cohort was female



Our female senior leadership population has grown to **25%**



Gender balance on our executive board **3 females out of 10 members**

## Lead by example and empower

- We have a rolling programme of unconscious bias training for our line managers, with over 2,500 colleagues completing the course to-date. In 2019 we extended this training to SMEs (small, medium enterprises) in our supply chain, who were invited to attend our Supply Chain Academy, aimed at upskilling small businesses.
- Junior colleagues are supported through our mentoring programme, which includes Costain executives mentoring high potential female colleagues.
- To support our inclusive culture, we launched a new employee network for REACH (religion, ethnicity and cultural heritage), led by our Group HR Director as the executive sponsor.



*Leaders and management at Costain embody the desired behaviours in all that they do and demonstrate how Costain value the contribution of everyone. Further to this, they empower those around them to develop their careers and pursue opportunities and ensure that their teams understand why diversity and inclusion is important to Costain's success to contribute to our current gender pay gap and is an area that we are addressing in our 2024 Inclusion strategy.*

## Inclusive environment



- We became members of Working Families, the UK's work life balance charity, in order to help us to be able to balance a flexible working environment and support people to balance their responsibilities.
- In 2019, inclusion was incorporated into our safety, health and environment strategy, rebranded to become our WiiSE (wellbeing, inclusion, innovation, safety and environment) strategy. Putting inclusion at the centre of wellbeing and safety considerations is crucial to addressing cultural and behavioural issues.
- Our Wellbeing Steering Group, led by our chief financial officer, has worked hard to ensure that all wellbeing initiatives are inclusive and communicated clearly to highlight how they can help our people lead more balanced and healthy lives.
- In 2019, we have worked with industry partners to review our site set up procedures and guidance, to make construction site facilities a more appealing place to work for everyone, including women who are currently under represented in the industry. The procedures and guidance also set out best practice regarding facilities required for nursing mothers and parking for expectant mothers.

## Statutory disclosure

The Costain Group at the time of reporting employs 3608 employees. Within the Group there are two companies that employ more than 250 people as at 05 April 2019 and are therefore required to report their gender pay gaps. This is set out on adjacent page.



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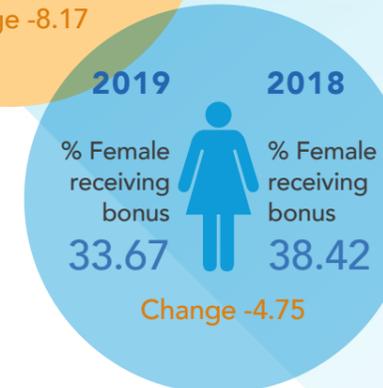
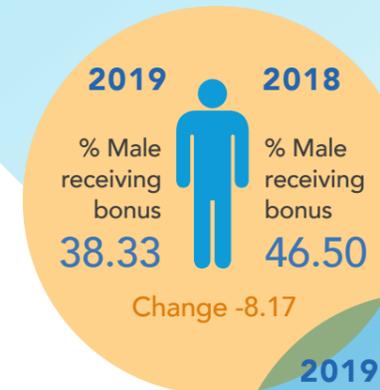
## Costain Engineering & Construction Limited employees

### Overall pay gap

	2019	2018	Change
% Median	27.70	26.97	0.73
% Mean	24.76	25.39	-0.63

### Bonus pay gap

	2019	2018	Change
% Median	51.77	-12.50	64.27
% Mean	46.13	51.52	-5.39



### Salary Quartiles

% Male quartile 2019	% Female quartile 2019
Upper Quartile 87.73%	Upper Quartile 12.27%
Upper Middle Quartile 80.03%	Upper Middle Quartile 19.97%
Lower Middle Quartile 75.15%	Lower Middle Quartile 24.85%
Lower Quartile 53.61%	Lower Quartile 46.39%

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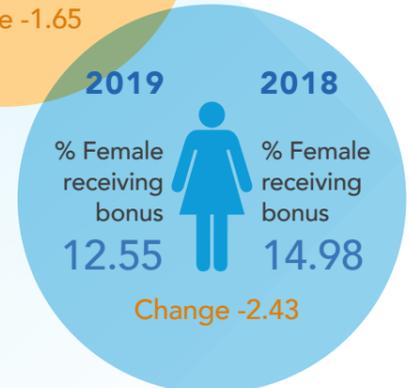
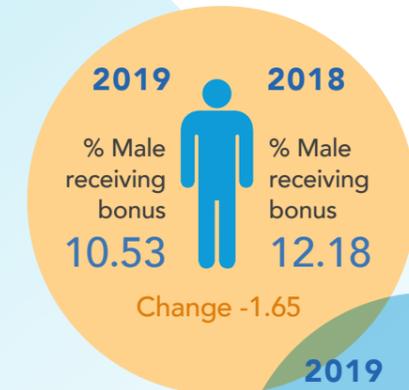
## Costain Limited employees

### Overall pay gap

	2019	2018	Change
% Median	13.97	14.47	-0.50
% Mean	5.97	9.62	-3.65

### Bonus pay gap

	2019	2018	Change
% Median	24.36	39.60	-15.24
% Mean	40.48	100.00	-59.52



### Salary Quartiles

% Male quartile 2019	% Female quartile 2019
Upper Quartile 92.47%	Upper Quartile 7.53%
Upper Middle Quartile 94.52%	Upper Middle Quartile 5.48%
Lower Middle Quartile 92.47%	Lower Middle Quartile 7.53%
Lower Quartile 89.04%	Lower Quartile 10.96%

