



Gender Pay Gap

Report 2022

Improving people's lives through connected, sustainable infrastructure

Costain has a clear goal to have a workforce that is representative of society and we continue to implement our inclusion strategy that sets out the actions we need to take to achieve our goal. Reducing our gender pay gap is integral to achieving our goal sustainably. We have clear strategies and implementation plans to reduce our pay gap.

We are pleased to report that in 2022, our gender pay gap has reduced by 2.07% from 2021. We launched our Gender Diversity Improvement Plan, which sets out our approach and strategy to maximise opportunities for women in Costain. Our female senior leadership population has grown to 40% (previously 36%) and the female population on our executive board has increased to 63% (previously 50%).

In 2022, we have focussed on female development in order to increase the number of women entering upper, and upper middle quartile salaries. This has been achieved with renewed focus on our internal development programmes with 42% of our Accelerator programme being female, and 44% of our Emerging Leaders Programme being female.

We have started to execute our 2022/23 Inclusion Implementation Plan to meet our 2030 vision, to make Costain a great, safe and inclusive place to work, where everyone can be at their best. This focuses on our culture, behaviours and values, and includes targets to improve the representation of women at all levels of the business.

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

Our female senior leadership population has grown to 40%, an increase from 36% last year and our female population on our executive board has increased to 63% (previously 50%).



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.

We are aware that the gender identification that employees have on record may not match how the employee self-identifies. We encourage all staff to update their gender identification records if they wish to do so.

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

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

	2021	2022	Change
% Median	28.70	26.63	-2.07
% Mean	19.10	18.67	-0.43

Our Bonus Gap

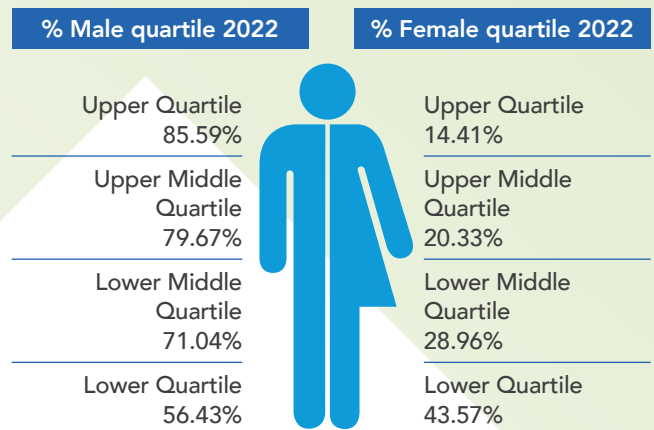
The difference in annual bonus pay between men and women is:

Bonus Gap

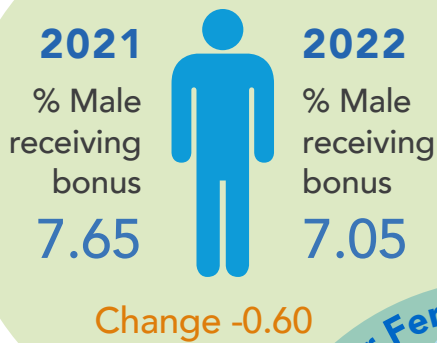
	2021	2022	Change
% Median	51.36	87.36	36.00
% Mean	10.10	45.97	35.87

Our pay quartiles

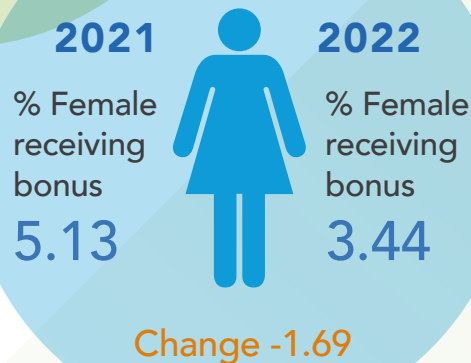
The below graphic illustrates the gender distribution at Costain Group across four equally sized hourly pay quartiles from lowest to highest.



Our Male Bonus Gap



Our Female Bonus Gap



What does this mean?

Costain Group's median gender pay gap has decreased by 2.07% from 2021. Women in Costain account for 27% of our total employees, which despite increasing over the last four years, means we still have an unequal employee population.

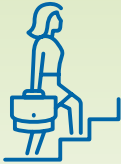
In 2022, we saw the biggest increase in women in the upper middle quartile, with a 2.64% as well as lower middle quartile. This is a positive indication that our inclusion strategy is having an impact, as our research indicated women in the company struggled to reach upper middle quartile. We will continue to build on this throughout 2023, introducing new initiatives outlined on the following page. There was a slight reduction in upper quartile of 0.33%; however, our long term objective remains the same, of developing the existing diverse pipeline of talent and ensure we create an environment where women thrive and want to remain in order to reduce our pay gap.

Our 2022 highlights at a glance

ETA

We were awarded outstanding Excellence in Engineering category at the Engineering Talent Awards. This was awarded due to our incredible outreach programme focusing on neurodiversity and autism while also designing inclusive training projects for their business

36%



Our senior leadership population has grown to 36% female from 12% in 2015.

The Costain female population has increased by **2% in the last 12 months**



We continue to maintain a strong gender balance on our executive board, with **5 women** out of the 8 members.

Launched our **first Women's Network Survey** to capture data in order to inform our improvement plans. Findings and improvement strategies were presented in our November 2022 inclusion board to gain support from our Senior Leadership Team.

44%

of our Emerging Leaders Cohort **were female**



41%

Accelerator Programme cohort **were female**



We continue to work with Women into Construction and maintain STEM female ambassadors to **enhance opportunities for females in Costain**



How are we working to close our gender pay gap?

By creating a more inclusive culture for all women at Costain, we can improve our recruitment, promotion and retention of female staff, creating an environment where women thrive. We recognise that our female staff may belong to other

marginalised groups, and we have taken an intersectional approach to inclusion.

We have taken the below inclusion actions in 2022, which we believe will help us to close our gender pay gap.

Recruitment

- Inclusive recruitment training has been introduced by our EDI Lead who has began rolling sessions out across projects and with our HR and Recruitment Team. In 2023, additional training sessions are being undertaken across projects in collaboration with our HR Business Partners.
- As part of our Inclusion Strategy, we have implemented inclusion metric reporting with an EDI dashboard.
- We continue to be an external advocate for all diversity and inclusion matters and continue to support Women in Science and Engineering (WISE); Women in Nuclear; Women's Engineering Society; Disability Confident and Working Families. We are a Stonewall Diversity Champion.
- We have expanded our recruiting pools by advertising on the WISE, Stonewall and Seetec Plus job boards. All job adverts encourage individuals to ask about flexible working opportunities at interview.
- Been a panellist at the Construction News Inspiring Women Conference and Break the Bias event discussing carer pats and women in construction.

2022	Female	BAME
Apprentices	22.58%	22.58%
Graduates	22.22%	46.66%
Total	22.40%	34.62%

Case study: Women in STEM Event

On the 23rd June we participated in a Women in STEM event, the event was aimed towards those who want to work in a STEM industry in the UK. The event was selected to support our drive for increasing the number of female applicants and diversifying the application pool.

54% of the attendees identified as BAME
18% from LBGTO+ community
33% Computer Science and Data
17% Engineering
24% Business and Finance



As a result of the event we spoke with over 90 individuals which resulted in 43 CVs.

Development

- We assess our talent review information to inform targeted support for female and BAME progression in the company, including encouraging applications to our internal development programmes through our employee networks and Talent and Development team.
- In 2022 we signed the Women in Defence Charter and became a corporate member of Women in Nuclear to actively support the progression of women in senior roles in the defence and nuclear sector and increase opportunities for women entering the industry.
- Based on feedback provided on the women's engagement survey which was conducted in 2022, the women's network has launched a series of masterclasses to develop soft skills including professional networking, public speaking, presentation skills.
- We have developed documents known as the "A Manager's Guide to..." series, which cover topics including miscarriage, infertility, IVF and surrogacy. These normalise currently challenging conversations around women's experiences in the workplace and support them.
- We continued our REACH Mutual Mentoring programme following our pilot in 2021, with 15 mentors and 15 mentees participating in the scheme with members of our REACH (Religion, Ethnicity and Cultural Heritage) and senior leadership.
- One of our teams has piloted an AllSorts forum, inspired by the Association for Project Management Women in Project Management Conference hosted in October. The forum provides a regular opportunity to come together to celebrate and share diverse personal-professional experiences.

Retention

- We joined the Bupa Menopause Plan this provides an appointment with a dedicated menopause GP and ongoing support (further details to the right).
- As a demonstration of our commitment to the inclusion agenda and a sign of our senior level support, we signed the Construction News Inspiring Women Pledge, the Menopause Workplace Pledge and the Women in Nuclear
- Charter publicly committing to encourage more women into the industry.
- We have continued to drive dynamic working as an integral part of ways of working for all colleagues, and in 2023 will relaunch our thrive plans.
- We have developed an anonymous exit survey to gain honest insight into our culture and behaviours and ultimately reduce employee turnover.
- We have provided clearer guidance on how leave can be used for long-term caring responsibilities and to equip managers on how to have that conversation with their team members.

Menopause case study: Supporting our employees

In 2022, we hosted a number of events to support our employees including:

- Menopause lunch and learn where a member of the Bupa team hosted sessions on how they can support women going through the menopause.
- We released a suite of new guidance for line managers under 'Guide to menopause'.
- We released a number of blogs on our Costain teams page to discuss and raise further conversations on the menopause.

Statutory disclosure

The Costain Group at the time of reporting employs 3,524 employees. Within the Group there are two companies that employ more than 250 people as of 05 April 2022 and are therefore required to report their gender pay gaps.



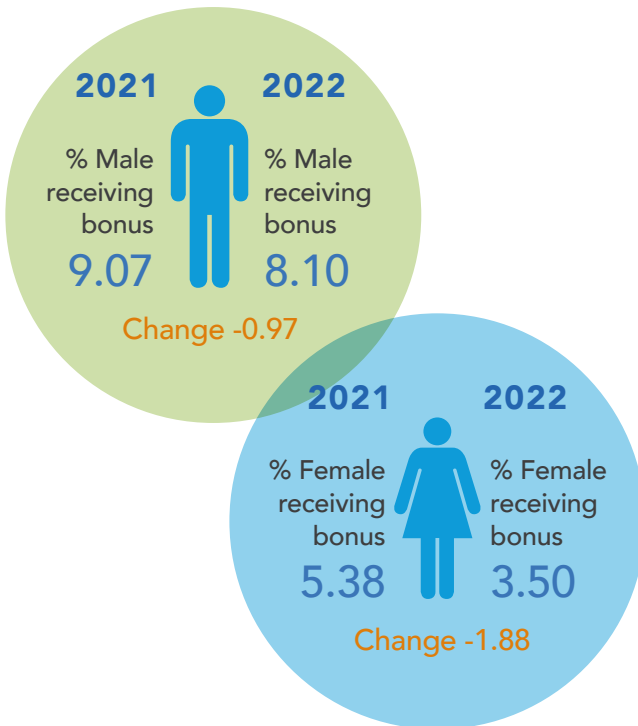
Costain Engineering & Construction Limited

Overall pay gap

	2021	2022	Change
% Median	26.92	25.36	-1.56
% Mean	20.14	18.04	-2.10

Bonus pay gap

	2021	2022	Change
% Median	71.43	45.84	-25.59
% Mean	9.48	47.66	38.18



Salary Quartiles

% Male quartile 2022	% Female quartile 2022
Upper Quartile 83.83%	Upper Quartile 16.17%
Upper Middle Quartile 78.97%	Upper Middle Quartile 21.03%
Lower Middle Quartile 69.00%	Lower Middle Quartile 31.00%
Lower Quartile 53.57%	Lower Quartile 46.43%

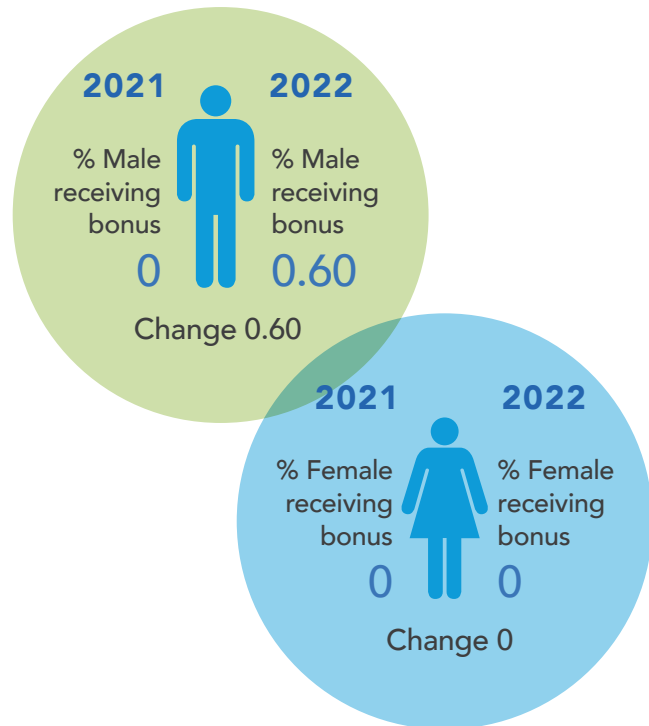
Costain Limited

Overall pay gap

	2021	2022	Change
% Median	24.45	30.36	5.91
% Mean	11.14	6.67	-4.76

Bonus pay gap

	2021	2022	Change
% Median	0.00	100.00	100.00
% Mean	0.00	100.00	100.00



Salary Quartiles

% Male quartile 2022	% Female quartile 2022
Upper Quartile 98.46%	Upper Quartile 1.54%
Upper Middle Quartile 89.23%	Upper Middle Quartile 10.77%
Lower Middle Quartile 92.42%	Lower Middle Quartile 7.58%
Lower Quartile 81.82%	Lower Quartile 18.18%

*Large increase due to a reduction in women in Costain Ltd.

