

Our gender pay gap report 2022

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Foreword

Skanska continues to place inclusion at the centre of our work to address the gender pay gap. We recognise that diverse teams enable the business to perform more profitably and successfully, as well as creating a great place for our employees to work.

For us to realise these benefits, it is essential we attract, recruit, develop and retain the brightest talent across diverse groups. Inclusion enables us to do this.

This year we further embedded the structure of our inclusion & diversity (I&D) leaders' group into the business – with Gregor Craig (CEO and Business Unit President) as Chair, and members of our Executive and Senior Management Teams actively participating and scrutinising I&D performance.

The group meets quarterly, alongside the leads of our six employee-led networks to understand all the opportunities to increase inclusion across Skanska UK.

Over the past 12 months, the group has re-formulated our inclusion and diversity strategy and scrutinised our KPIs to ensure we have the interventions in place to make positive change.



Foreword

Our work to listen and respond to the findings of the Your Lived Experience project continues. This project commenced in 2021 and examined how different demographic groups experience Skanska's culture. In 2022, we transparently shared the results of this project with all our colleagues and hosted inclusion workshops with every leadership team, to help create a collective understanding of where inclusion needs to improve, and how it will directly contribute to business goals.

We hosted our first inclusion stand-ups for teams across the business to discuss what actions are required locally to increase inclusion.

We have started to deliver bespoke high impact training to our senior site and project leaders to help them create and lead truly inclusive work environments.

We will also shortly commence training our people on how to be an active bystander, giving them the tools and confidence to call out things which aren't right. Earlier in 2022, we launched a co-mentoring programme which pairs our 20 most senior leaders with members from each of our employee networks in a co-mentoring relationship designed to help both parties better understand diverse perspectives.

Please refer to the 'Closing the gap' section for more detail. These initiatives are in direct response of the findings of the Your Lived Experience project, and address some of the industry-wide challenges for diversity and inclusion.



"I confirm this report is accurate and provides our gender pay analysis and declare our commitment towards closing the gap over the coming years."

A handwritten signature in black ink, appearing to read 'Harvey Francis'.

Harvey Francis
Executive Vice President, Skanska UK

What is the gender pay gap?

The gender pay gap is the difference between the average (mean) and mid-point (median) pay of men and women. It does not measure equal pay, which relates to what women and men are paid for the same jobs or work of equal value.

The gender pay gap figures are calculated using the snapshot date of 5 April 2022. This means the figures use payments processed either on 15 April 2022 for weekly paid colleagues, or 28 April 2022 for those paid monthly. The bonus gap includes bonuses paid in the 12 months to April 2022. In the Appendix you will find our gender pay gap figures for previous years.

In the following pages, we provide the median and mean pay gaps between men and women's hourly pay (base salary and allowances) on 5 April 2022, as well as showing the percentage of men and women in each quarter when all employees are placed in order from highest to lowest and split into four equal groups.

We also provide the median and mean bonus pay gaps and the proportion of men and women receiving a bonus payment in the 12 months to 5 April 2022.

How we calculate the mean difference

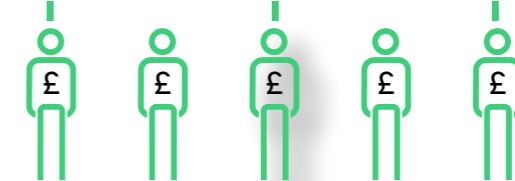


The difference = Mean hourly pay gap



How we calculate the median difference

Lowest hourly pay Median hourly pay Highest hourly pay



The difference = Median hourly pay gap



Our gender pay gap

The Gender Pay Gap regulations require companies to report their gender pay gap for all legal entities in the UK with more than 250 employees. For us, that now means Skanska UK Plc. Previously, we reported on Skanska Construction UK Ltd (SCUK), but with the divestment of our Infrastructure Services business at the end of April 2021 we no longer report separately for this entity as it has fewer than 250 employees.

As well as providing the figures for Skanska UK Plc, we publish here the data for Skanska UK overall, which shows the pay gap figures for all colleagues employed across all our legal entities – including those with fewer than 250 employees.

In 2022 our Skanska UK overall median gender pay gap was 20.9%, an increase from 12.6% in 2021. We expected this change, following the divestment of Infrastructure Services. Previously, we reported Infrastructure Services as part of SCUK.

In 2021, SCUK made up around 30% of our Skanska UK overall population. SCUK had a smaller pay gap, driven by a higher proportion of male operatives with comparatively lower hourly rates than our other male employees. When the data from SCUK was incorporated to our Skanska UK overall figures it pulled our overall gap down.

Now our Skanska UK overall employee population is much closer to that of Skanska UK Plc (180 employees more than Skanska UK Plc on 5 April 2022), our Skanska UK overall median pay gap

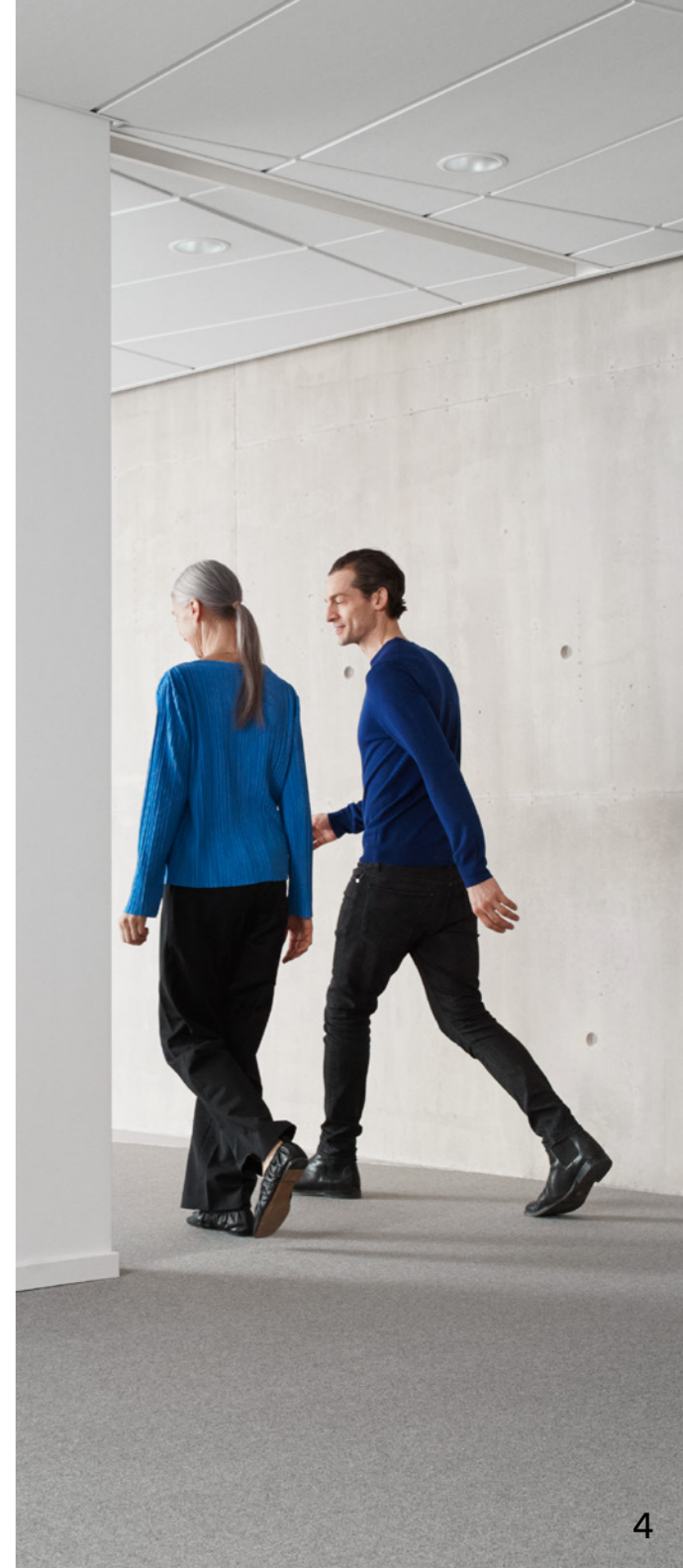
(20.9%) is closer to our Skanska UK Plc median pay gap of 23.7%, which is slightly down on last year.

Looking at our bonus gap, the number of individuals receiving a bonus in the 12 months to April 2022 reduced significantly on previous years (7.3% of men and 1% of women in Skanska UK overall compared to 28.7% of men and 14.4% of women in the 12 months to April 2021) because we didn't operate our corporate bonus scheme in 2020, which would have paid out in May 2021. However, where bonus arrangements existed for parts of our operative population they continued; this accounts for 73% of the men who received a bonus in the relevant period.

The pay quarter data provides insight on the gender balance in our business. Ideally, we would like to see the proportion of women in each quarter reflective of the overall gender split of our business. On the 5 April 2022, 73.3% of employees were men and 26.7% were women. However, we can see that women are under-represented in the upper quarter compared to our overall population (13.7% compared to 26.7%) and over-represented in our lower quarter (38.4% compared to 26.7%).

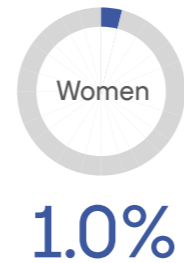
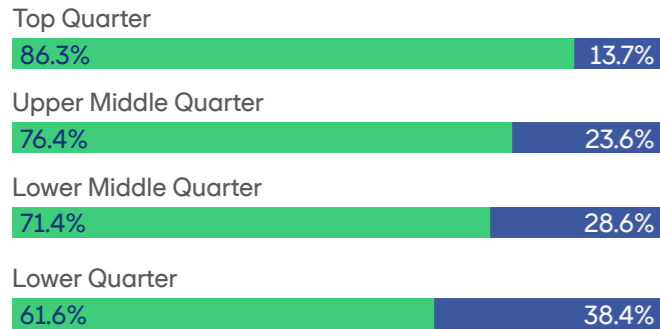
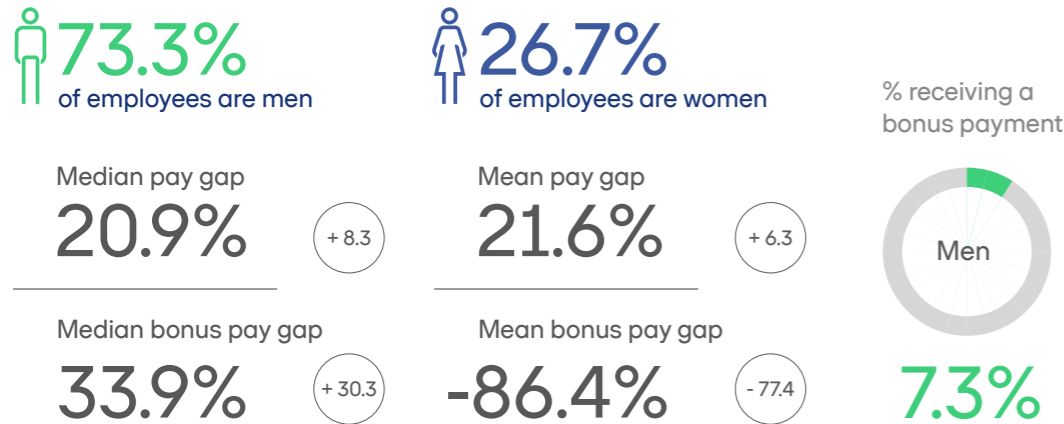
We want to change this but recognise that attracting more women into the construction sector and providing the support for them to develop their careers to more senior levels is a long-term challenge, but one that we remain committed to and continue to take action on.

The 'Closing the gap' section includes details on our inclusion and diversity strategy.



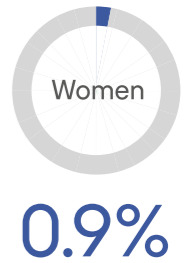
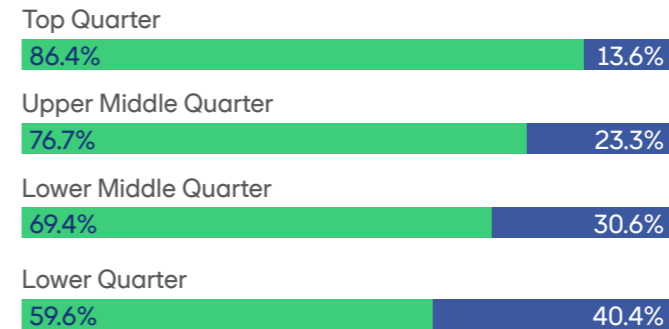
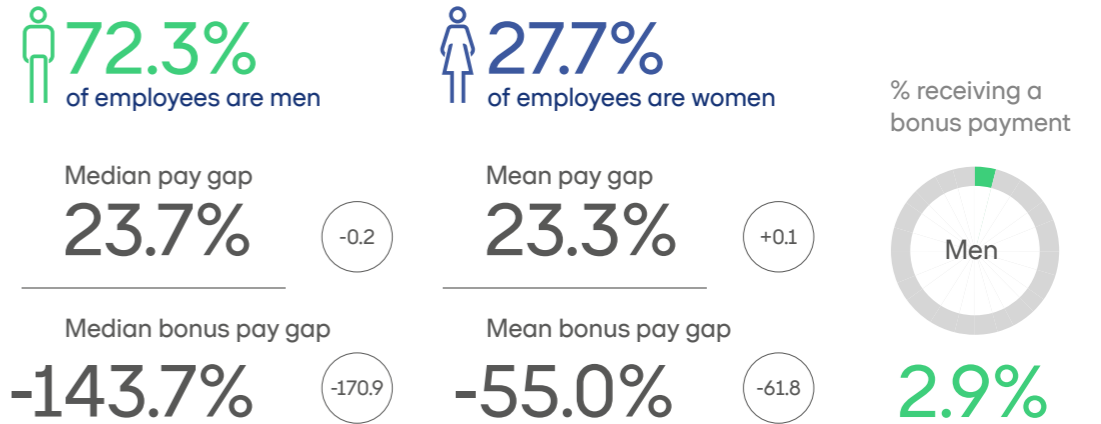
Skanska UK overall

On 5 April 2022 Skanska UK employed 3,432 colleagues across all our legal entities. These figures are not recorded on the UK Government's Gender pay gap service website, as these are the combined figures for all our employees across all legal entities.



Skanska UK Plc

On 5 April 2022 Skanska UK Plc employed 3,252 colleagues. These figures are reported on UK Government's Gender pay gap service website.



(X) Shows the percentage point change from our 2021 figures.

Closing the gap

Our journey to increase inclusion and diversity within Skanska continues and is heightened by current global events such as the pandemic and cost of living pressures to further highlight the need for equity and equality.

1. Listening to lived experiences

180 members of Skanska shared their lived experiences as part of the Your Lived Experience project in 2021. In 2022, Skanska completed six actions as part of the project's action plan to increase inclusion for under-represented groups, including women.

One action has been to pair members of our six employee-led networks with members of our senior management team. Of 20 co-mentor pairings, 12 are with women in the business, providing an important opportunity to discuss career paths, progression and exposure to senior members of the business.

The aim of this programme is to enable senior leaders to further understand different lived experiences and be equipped to create an inclusive culture within their teams.

2. Leading by example

As part of the Your Lived Experience action plan, we have developed an inclusive leadership programme to support, initially project directors, to create site environments which are welcoming and inclusive to under-represented groups.

Findings from the Your Lived Experience project told us there is more we need to do to make site culture inclusive, especially for women, and through experiential days and coaching, this programme aims to equip leaders to create cultural change for inclusion. Alongside this, Skanska has designed active bystander training to equip line managers to call out non-inclusive behaviour. We will trial this to over 200 line managers in 2022-2023, and evaluate the workshops with the aim of rolling out across the business by the end of 2023.

3. Enhanced support for families

In 2022, Skanska substantially increased the support available to new parents and carers within the business. Maternity leave was enhanced to 26 weeks' fully paid leave, paternity leave has been increased to eight weeks' fully paid leave which can be taken in one-week blocks over the 12 months from the birth or placement of the child.

Parental bereavement leave has been extended to two weeks' paid leave, and dependents leave is now one week's paid leave. In 2023 Skanska will review additional measures to support new parents returning to work.

Closing the gap

4. Enhanced safe spaces

Over 2022, we listened to feedback from the Your Lived Experience project and enhanced the support provided to our six employee-led networks in recognition of their importance to create safe and supportive spaces to women and other protected groups.

The business has created clearer guidance and now provides time for passionate people to lead each network in recognition of the value they provide to guide the business's inclusion journey, and development opportunities provided to network members.

5. Promoting inclusive recruitment

In the 12 months to April 2022 17.7% of applications were from individuals identifying as women, with 28.6% of new hires identifying as women. We want to see the number of applications from women grow as we work to attract more women into our industry.

In 2022 our Infrastructure operating unit filled planning roles (a key skills gap for Skanska) in partnership with STEM Returners. This is an initiative which helps employers recruit, develop and retain the best available talent by enabling highly qualified and experienced candidates to re-start their career.

We are piloting the return-to-work programme for the business and will review over the coming months to determine how if Skanska formalises the programme for future recruitment requirements.

6. Supporting women throughout their career

Retaining talent is important to close and reduce our gender pay gap. In 2022, our Womxn's Network hosted several webinars to support people going through, or supporting partners through, menopause.

This is being followed with a document which will provide practical guidance for individuals and line managers. This is an essential part of increasing inclusion in the workplace and sharing experiences to normalise this topic.

7. Flexible working provided at Skanska

The roll out of Flex-it, our informal flexible working framework, continues with a focus on increasing consistency to flexible working across our projects, sites and offices. In our latest pulse survey, 63% of women who responded said they had a flexible working agreement in place which works for their needs, up from 43% in 2021. Flexible working is used to accommodate not only childcare and family requirements, but to support people with their development and personal lives.

Appendix:

Our year-on-year disclosures

Skanska UK Overall

	2018		2019		2020		2021		2022	
	male	female	male	female	male	female	male	female	male	female
Employee split (male/female %)	77.8%	22.2%	76.9%	23.1%	76.4%	23.6%	76.6%	23.4%	73.3%	26.7%
Median gender pay gap	20.2%		16.0%		16.0%		12.6%		20.9%	
Mean gender pay gap	21.4%		19.4%		18.1%		15.3%		21.6%	
Median bonus pay gap	77.7%		52.8%		23.6%		3.6%		33.9%	
Mean bonus pay gap	33.6%		41.2%		11.9%		-9.0%		-86.4%	
Male employees who received a bonus	27.7%		16.0%		29.3%		28.7%		7.3%	
Female employees who received a bonus	16.0%		8.9%		15.3%		14.4%		1.0%	

	male	female	male	female	male	female	male	female	male	female
Proportion of men and women in each pay band quarter										
Upper quarter	87.5%	12.5%	85.5%	14.5%	84.4%	15.6%	84.9%	15.1%	86.3%	13.7%
Upper middle quarter	81.9%	18.1%	78.9%	21.1%	78.8%	21.2%	76.7%	23.3%	76.4%	23.6%
Lower middle quarter	73.9%	26.1%	74.4%	25.6%	72.6%	27.4%	73.3%	26.7%	71.4%	28.6%
Lower quarter	67.6%	32.4%	67.8%	32.2%	68.4%	31.6%	71.2%	28.8%	61.6%	38.4%

Appendix:

Our year-on-year disclosures

Skanska UK Plc

	2018		2019		2020		2021		2022	
	male	female	male	female	male	female	male	female	male	female
Employee split (male/female %)	74.8%	25.2%	73.3%	26.7%	72.0%	28.0%	72.0%	28.0%	72.3%	27.7%
Median gender pay gap	24.7%		22.8%		23.1%		23.9%		23.7%	
Mean gender pay gap	25.9%		25.8%		25.0%		23.2%		23.3%	
Median bonus pay gap	36.9%		43.0%		47.3%		27.2%		-143.7%	
Mean bonus pay gap	17.3%		49.6%		22.8%		6.8%		-55.0%	
Male employees who received a bonus	29.6%		15%		33.2%		34.1%		2.9%	
Female employees who received a bonus	12.3%		10.2%		17.3%		16.5%		0.9%	

	male	female	male	female	male	female	male	female	male	female
Proportion of men and women in each pay band quarter										
Upper quarter	89.0%	11.0%	87.7%	12.3%	86.1%	13.9%	86.5%	13.5%	86.4%	13.6%
Upper middle quarter	78.4%	21.6%	77.9%	22.1%	76.6%	23.4%	76.9%	23.1%	76.7%	23.3%
Lower middle quarter	71.2%	28.8%	68.9%	31.1%	68.0%	32.0%	68.9%	31.1%	69.4%	30.6%
Lower quarter	63.0%	37.0%	60.5%	39.5%	58.7%	41.3%	58.7%	41.3%	59.6%	40.4%

Appendix:

Our year-on-year disclosures

Skanska Construction UK Ltd

	2018		2019		2020		2021		2022	
	male	female	male	female	male	female	male	female	male	female
Employee split (male/female %)	82.1%	17.9%	81.4%	18.6%	81.9%	18.1%	83.6%	16.4%	No longer reporting	
Median gender pay gap	22.4%		10.1%		12.7%		3.2%			
Mean gender pay gap	15.9%		10.8%		11.3%		2.6%			
Median bonus pay gap	34.2%		36.9%		-1.9%		-136.7%			
Mean bonus pay gap	61.6%		13.1%		-5.4%		-51.8%			
Male employees who received a bonus	18.1%		10.4%		17.7%		12.9%			
Female employees who received a bonus	27.2%		5.5%		9.9%		6.9%			
Proportion of men and women in each pay band quarter	male	female	male	female	male	female	male	female		
Upper quarter	89.7%	10.3%	87.6%	12.4%	87.7%	12.3%	85.5%	14.5%		
Upper middle quarter	85.7%	14.3%	80.5%	19.5%	81.7%	18.3%	82.7%	17.3%		
Lower middle quarter	75.9%	24.1%	73.4%	26.6%	75.9%	24.1%	79.7%	20.3%		
Lower quarter	73.7%	26.3%	79.5%	20.5%	77.6%	22.4%	83.9%	16.1%		

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SKANSKA

