

Our gender
pay gap
report
2019





Foreword

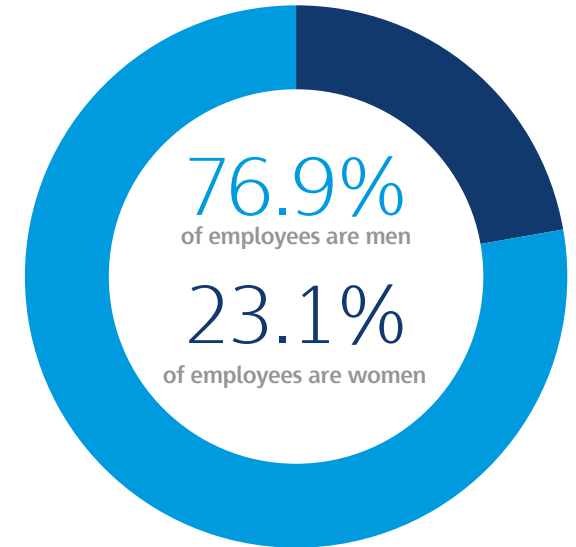
We are determined to ensure that Skanska is an inclusive and diverse company. We know that in order to deliver the best solutions, we need the widest possible range of perspectives. Increasing the number of women in our organisation at all levels, but particularly in more senior positions, is one step that will support us in achieving our goal.

The exercise of completing the gender pay gap calculations provides us with a valuable opportunity to review and consider the gender balance in our business. In 2019, we have seen our median gender pay gap reduce for Skanska UK overall and for the two legal entities we report on. More detail on this can be found on pages 4 and 5.

Men continue to make up the majority of our workforce (76.9% on the snapshot date) and this is in line with the wider construction industry. Creating a more balanced demographic will take time, but we are taking many positive steps to attract more women to Skanska, such as through our emerging talent programme and partnering with the flexible working consultancy, Timewise to create sustainable flexible working opportunities.

We are working to make the many opportunities at Skanska more attractive and transparent to all. To do this, we must ensure that we fully understand all the barriers that currently stop women applying to our industry, and take the necessary steps to remove them.

In 2019, we introduced our new Inclusion & Diversity strategy focused on creating a positive workplace culture for all our employees. On pages 6 and 7 we provide some more information on its five focus areas. We know there is further work to do and we are committed to ensuring that Skanska is a place people can thrive.



"I confirm this report is accurate and provides our gender pay analysis at the snapshot date of 5 April 2019 and declare our commitment towards closing the gap over the coming years."

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.

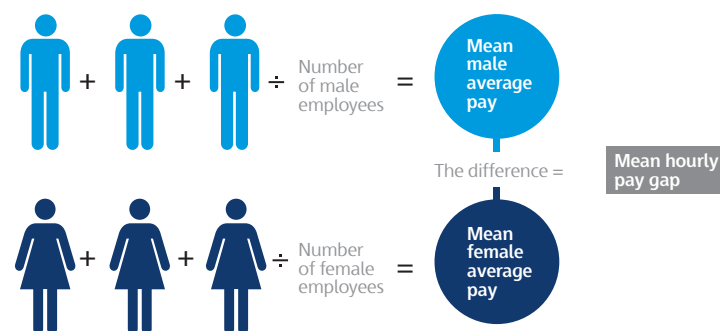
The Gender Pay Gap regulations require companies to report their gender pay gap for all legal entities in the UK with more than 250 employees. For us, that means Skanska UK Plc and Skanska Construction UK Limited. In this report, we also include our Skanska UK overall gender pay figures, which combines data for all colleagues employed across all of our legal entities – including those with fewer than 250 employees.

The gender pay gap figures are calculated on the snapshot date of 5 April 2019, this means the figures use payments processed either on 5 April 2019 for weekly paid colleagues or 29 April 2019 for monthly paid colleagues. The bonus gap includes bonuses paid in the 12 months to 5 April 2019.

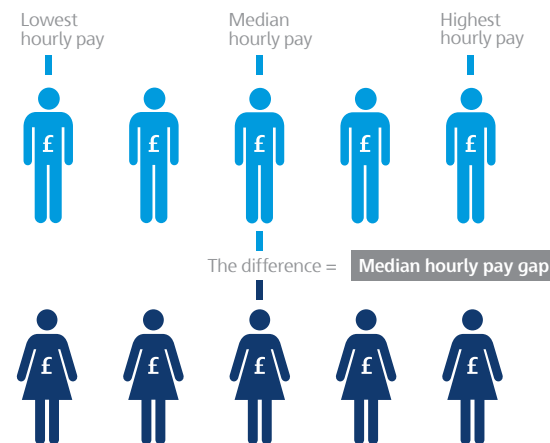
In the following pages, we provide median and mean pay gaps between men and women’s hourly pay (base salary and allowances) on 5 April 2019. As well as the median and mean bonus pay gaps and the proportion of men and women receiving a bonus payment in the 12 months to 5 April 2019.

The quartile information shows the percentage of men and women in each quarter, when all employees are placed in order from highest to lowest paid and divided in to four equal sections.

How we calculate the mean difference



How we calculate the median difference





Our gender pay gap

Skanska UK employed 5,546 colleagues across all our legal entities on 5 April 2019. Of this population 76.9% were men and 23.1% were women – an increase in the percentage of our population who are female by 0.9% on 2018.

Compared to 2018 our overall median gender pay gap has decreased by 4.2% to 16.0%. For Skanska UK Plc (page 5) our median pay gap continues to reduce year-on-year and now stands at 22.8%.

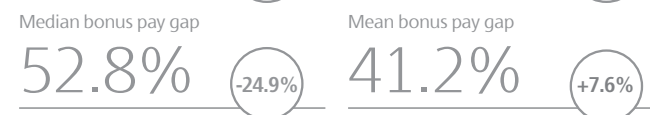
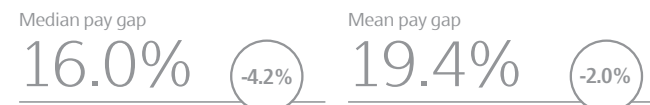
For Skanska Construction UK Ltd (also page 5) our median pay gap decreased from 22.4% to 10.1%. This follows an increase last year of 10.1%, which was linked to extreme weather events in February and March 2018, and the associated increase in the payment of allowances (e.g. on-call and gritting) which were predominantly paid to men. The fluctuations we have seen in these figures highlights a limitation of using a snapshot pay period, as one-off factors, such as extreme weather events, can heavily influence the results, as we saw in 2018.

The quartile data provides insight on the gender balance in our business, ideally, we would like to see the proportion of women in each quartile reflective of the overall gender split of our business i.e. around 23%. However, we can see that women are under-represented in the upper quartile (14.5% compared to 23.1% of the population) and over-represented in the lower quartile (32.2% compared to 23.1% of the population). We're working to understand how we can change this. One area of focus is increasing the number of female applicants by offering more flexible working opportunities.

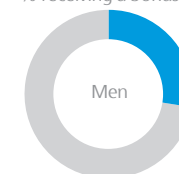
On page 8 and 9 you can see our year-on-year gender pay gap figures and these results suggest we are moving in the right direction.

On pages 6 and 7 we talk about the five focus areas of our inclusion and diversity strategy.

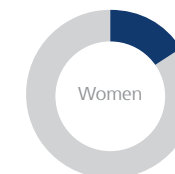
Skanska UK Overall



% receiving a bonus payment



16.0%



8.9%

Quartiles

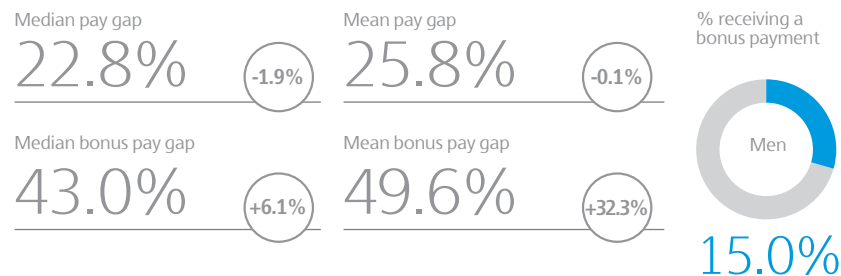


(x%) Shows the change to our 2018 figures



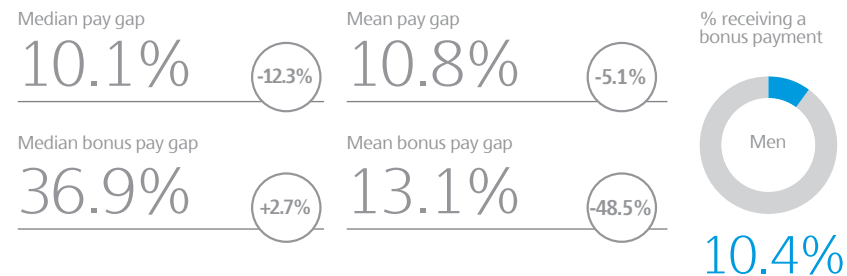
Skanska UK Plc

There were 3,488 employees of Skanska UK Plc on 5 April 2019, working predominantly in our corporate enabling functions and across our building, civil engineering and facilities businesses.



Skanska Construction UK Ltd

Skanska Construction UK Ltd employed 1,864 colleagues on 5 April 2019, working predominantly within utilities and infrastructure services.



(x%) Shows the change to our 2018 figures



Closing the gap

Our new Inclusion and Diversity strategy focuses on creating an inclusive workplace where everyone can be their whole self at work. Driving this inclusive culture supports our continuing efforts to attract, retain and develop women in our business and close the gender pay gap. Our five focus areas are:

1. Emerging Talent

In our emerging talent population (apprentices, trainees, interns and graduates) we are encouraging a greater proportion of women into our business and the wider industry. Our long-term partnerships with two university technical colleges give us access to a more diverse candidate pool and help us understand what the future generation is looking for in an employer and what we need to do to develop a more inclusive workplace from the perspective of the next generation. Particular focus is being given to engagement with school and college students to showcase the variety of roles available and build interest in the construction industry.

Across all emerging talent entry routes and roles, females accounted for 21% of our 2019 emerging talent intake, down from 35% in 2018. In 2019, we experienced a higher proportion of vacancies for apprentices in operational roles which continue to be dominated by male applicants. During 2019 we decreased the number of graduate offers being made and alongside this the female proportion was lower at 37.5% (down from 44% in 2018) while our summer intern intake was 46% female which helps build the future pipeline of graduate employees.

2. Inclusive Recruitment

We are confident that by increasing the number of female applicants we will positively influence the gender distribution of new joiners and thereby increase the overall diversity of our workforce. To support this, we continue to develop long-term partnerships with career changing organisations such as Women Returners, the military Career Transition Partnership and local job centres to give us special access and insight into what will attract a wider range of people to our industry. This provides a positive social impact and helps our industry to diversify and change.

We recognise that as we see greater number of diverse applicants, our hiring managers will need support to ensure their decision making is not biased. Therefore, we have implemented a Recruitment Gateways process to remove bias from our selection decisions. This allows us to see if individuals from under-represented groups are facing barriers to being hired. We have redesigned our Inclusive Recruitment Workshop for Hiring Managers which focuses on ensuring an objective and unbiased process is followed at all stages. 85 hiring managers have completed this so far, and an additional 113 are scheduled to attend. Our aim is to ensure every interview panel includes at least one interviewer who has completed inclusive recruitment training.



Closing the gap

3. Flexible Working

Flexible working is fundamental to making the construction industry attractive to all. Skanska is taking an industry lead by collaborating with Timewise and Build UK on a flexible working programme to identify barriers and find solutions to adopting flexible working practices on project sites. In 2019 we have had a successful flexible working pilot with 300 employees on a major project and are looking to roll it out more widely in 2020. We include a statement on flexible working for all our job adverts to encourage people with different working patterns to explore a career at Skanska. This shift in agile working will aid a better work life balance for all and help us support our talent throughout various life events in their career with us.

4. Leadership Development

Inclusive leadership is critical and we continue to foster these attributes in our leadership programmes. To date over 700 employees have attended our *Leader in Me* workshop that focuses on unconscious bias and creating an inclusive environment. For our leadership programmes in 2019 we had 48 women participants receiving and completing specialised leadership development training. Women as a percentage of total nominations for 2019 was 24% which aligns closely with the proportion of women in Skanska at 23%.

5. Employee Engagement

Our employee networks play a key role in creating inclusive environments where those in under-represented groups feel a sense of belonging and provides a united group to proactively engage and support Skanska in our Inclusion and Diversity journey. Our internal employee engagement survey showed 87% of our employees feel they can be themselves at work. Skanska's Women's network has over 300 members and is active in supporting events such as International Women in Engineering Day and has implemented changes to the business such as introducing a comprehensive range of PPE specifically tailored for women, including maternity fit, to make Skanska and our project sites welcome to all.



Appendix: Our year-on-year disclosures

Skanska UK Overall

	2017	2018	2019
Median gender pay gap	17.4%	20.2%	16.0%
Mean gender pay gap	19.7%	21.4%	19.4%
Median bonus pay gap	71.5%	77.7%	52.8%
Mean bonus pay gap	41.3%	33.6%	41.2%
Male employees who received a bonus	29.1%	27.7%	16.0%
Female employees who received a bonus	18.3%	16.0%	8.9%

Proportion of men and women in each quartile pay band	male	female	male	female	male	female
Upper quartile	88.9%	11.1%	87.5%	12.5%	85.5%	14.5%
Upper middle quartile	79.7%	20.3%	81.9%	18.1%	78.9%	21.1%
Lower middle quartile	74.0%	26.0%	73.9%	26.1%	74.4%	25.6%
Lower quartile	73.6%	26.4%	67.6%	32.4%	67.8%	32.2%



Appendix: Our year-on-year disclosures

Skanska UK Plc

Median gender pay gap
Mean gender pay gap
Median bonus pay gap
Mean bonus pay gap
Male employees who received a bonus
Female employees who received a bonus

2017	2018	2019
26.7%	24.7%	22.8%
27.2%	25.9%	25.8%
36.1%	36.9%	43.0%
30.1%	17.3%	49.6%
30.0%	29.6%	15.0%
14.7%	12.3%	10.2%

Skanska Construction UK Ltd

2017	2018	2019
12.3%	22.4%	10.1%
10.6%	15.9%	10.8%
48.0%	34.2%	36.9%
53.3%	61.6%	13.1%
20.6%	18.1%	10.4%
27.8%	27.2%	5.5%

Proportion of men and women in each quartile pay band
Upper quartile
Upper middle quartile
Lower middle quartile
Lower quartile

male	female	male	female	male	female
89.1%	10.9%	89.0%	11.0%	87.7%	12.3%
81.0%	19.0%	78.4%	21.6%	77.9%	22.1%
71.2%	28.8%	71.2%	28.8%	68.9%	31.1%
63.2%	36.8%	63.0%	37.0%	60.5%	39.5%

male	female	male	female	male	female
88.2%	11.8%	89.7%	10.3%	87.6%	12.4%
84.3%	15.7%	85.7%	14.3%	80.5%	19.5%
74.9%	25.1%	75.9%	24.1%	73.4%	26.6%
81.3%	18.7%	73.7%	26.3%	79.5%	20.5%