

Our gender  
pay gap  
report  
2020 and  
2021





# Foreword

We know that being an inclusive and diverse company enables us to be successful, profitable and resilient, as well as providing an excellent experience for all of our employees. We are determined to encourage more people from under-represented groups to our industry and specifically to Skanska.

At a global level Skanska recognises the importance of diversity and each country's CEO leads the Inclusion and Diversity agenda within their business. During 2020, we restructured our Inclusion and Diversity networks with Gregor Craig (CEO and Business Unit President) chairing the Inclusion and Diversity leaders group. This enables him to directly understand all the opportunities available to improve inclusivity across Skanska UK.

We recognise the importance of truly understanding the experiences of all our colleagues on sites and in offices. In 2021, we commissioned the 'Your Lived Experience' project to examine how different demographic groups experience our culture. The findings of this research have enabled us to develop an action plan for the remainder of 2021 and into 2022. See the 'Closing the Gap' section for more details.

The pandemic has required us to become more agile, for example embracing flexible working and looking at alternative ways of delivering our projects and contracts in a COVID-safe way. During 2020, we launched our 'Flex-it' framework which focused on facilitating conversations for employees, managers and teams so that we can encourage and introduce flexibility, thereby optimising both performance and wellbeing.

Continues on page 3



# Foreword

Before the pandemic, we also commenced flexible working pilots with Timewise and Build UK and contributed recommendations for the wider industry. See the 'Closing the Gap' section for more details on both Flex-it and the flexible working pilots.

In addition to the above, our Inclusion and Diversity strategy continues to focus on ways to attract more women to Skanska, through our emerging talent programme and inclusive recruitment practices. We continue to explore opportunities to make Skanska more attractive for all and to encourage more women to join Skanska and develop their careers with us.

We have seen considerable organisational change with the TUPE transfer out of employees from our Utilities business at the end of March 2021. This change is reflected in our 2021 figures. Also, at the end of April 2021 we divested our Infrastructure Services business, with more than 1,500 employees leaving Skanska. This change will be reflected in our 2022 gender pay gap figures.

This narrative report is being published in October 2021 alongside our 2020 and 2021 gender pay gap figures.



"I confirm this report is accurate and provides our gender pay analysis 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?

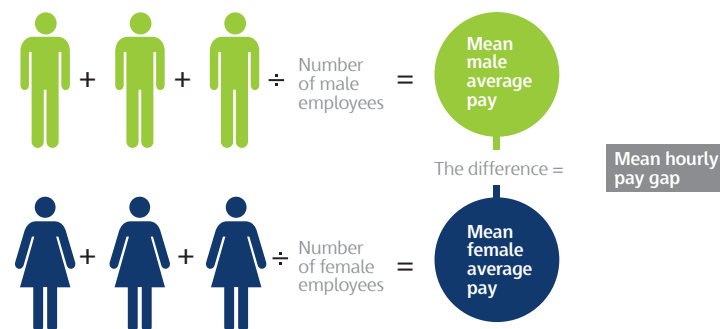
The gender pay gap is the difference between the average (mean) and mid-point (median) pay of men and women. It does not measure equal pay, which relates to what women and men are paid for the same jobs or work of equal value.

The gender pay gap figures are calculated using the snapshot date of 5 April 2021. This means the figures use payments processed either on 9 April 2021 for weekly paid colleagues, or 28 April 2021 for those paid monthly. The bonus gap includes bonuses paid in the 12 months to 5 April 2021. In the Appendix you will also find our gender pay gap figures for previous years.

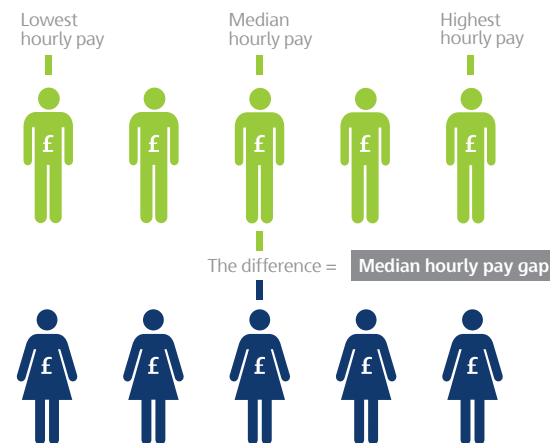
In the following pages, we provide median and mean pay gaps between men and women's hourly pay (base salary and allowances) on 5 April 2021, as well as showing the percentage of men and women in each quarter when all employees are placed in order from highest to lowest and split into four equal groups.

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 2021.

## How we calculate the mean difference



## How we calculate the median difference





# Our gender pay gap

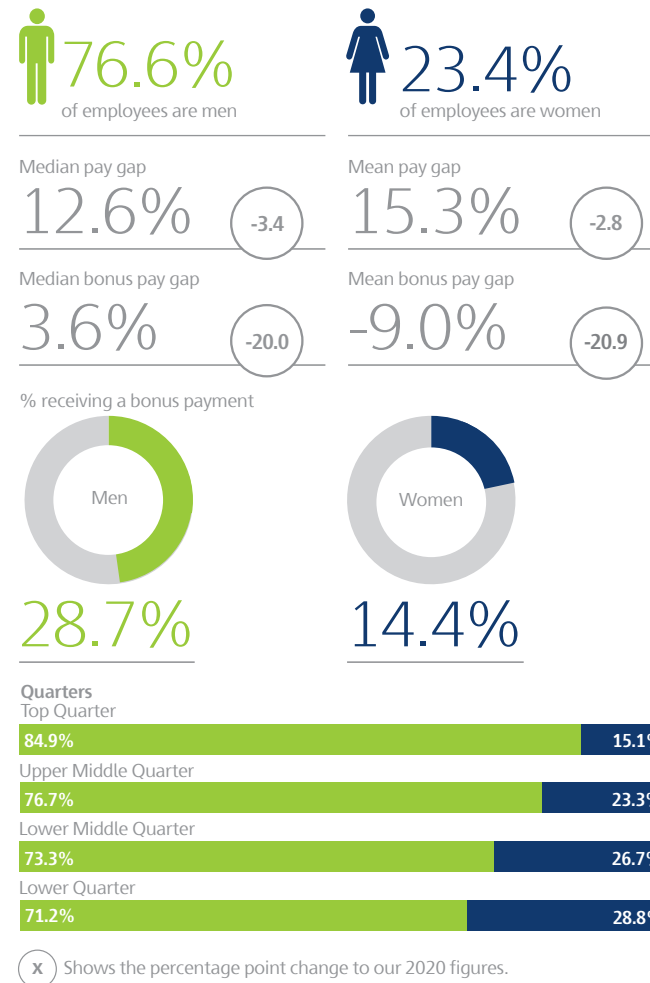
Skanska UK employed 4,781 colleagues across all our legal entities on 5 April 2021. Of this population 76.6% were men and 23.4% were women. In 2021 our overall median gender pay gap was 12.6%. For Skanska UK Plc, our median pay gap was 23.9% and it was 3.2% for Skanska Construction UK Ltd.

As you can see in the Appendix there has been some volatility in our gender pay gap figures for Skanska Construction UK Ltd (SCUK), which highlights the limitations of using a snapshot pay period. There is a significant change with our bonus gap figure for SCUK, driven by a number of low value bonus payments made to males in this area. We have also seen organisational change in SCUK, with the TUPE transfer out of employees from our Utilities business at the end of March 2021 reducing the employee headcount. With the divestment of our Infrastructure Services business at the end of April 2021 we expect to have fewer than 250 employees in SCUK in April 2022 and therefore will no longer report separately for this entity.

The pay quarter data provides insight on the gender balance in our business and ideally, we would like to see the proportion of women in each quarter 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 quarter compared to our overall population (15.1% compared to 23.4% of the population), and still over-represented in our lower quarter (28.8% compared to 23.4% of the population). We want to change this but recognise that attracting more women into the construction sector is a long-term challenge.

The 'Closing the Gap' section includes details on our inclusion and diversity strategy. In the Appendix you can see our year-on-year gender pay gap figures.

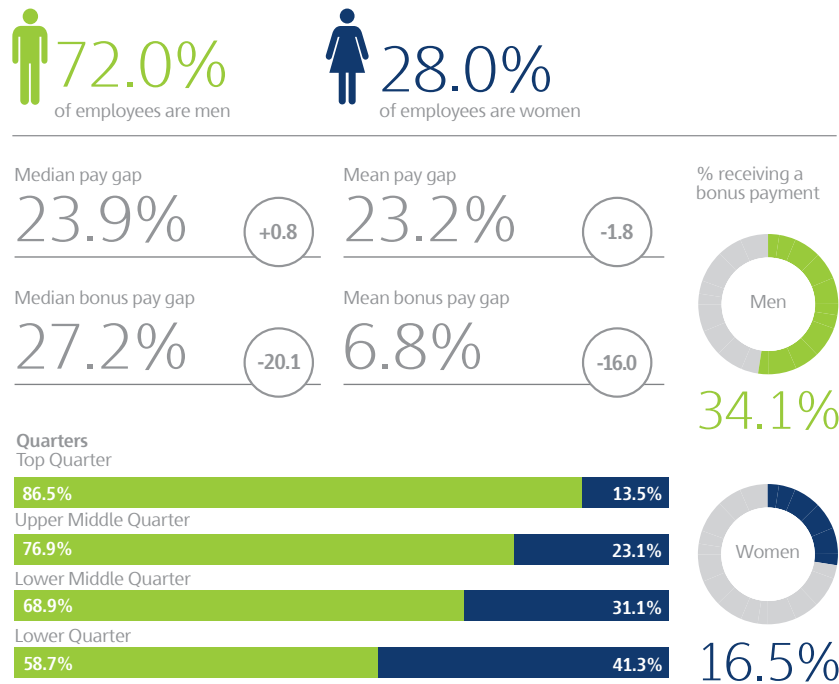
## Skanska UK Overall





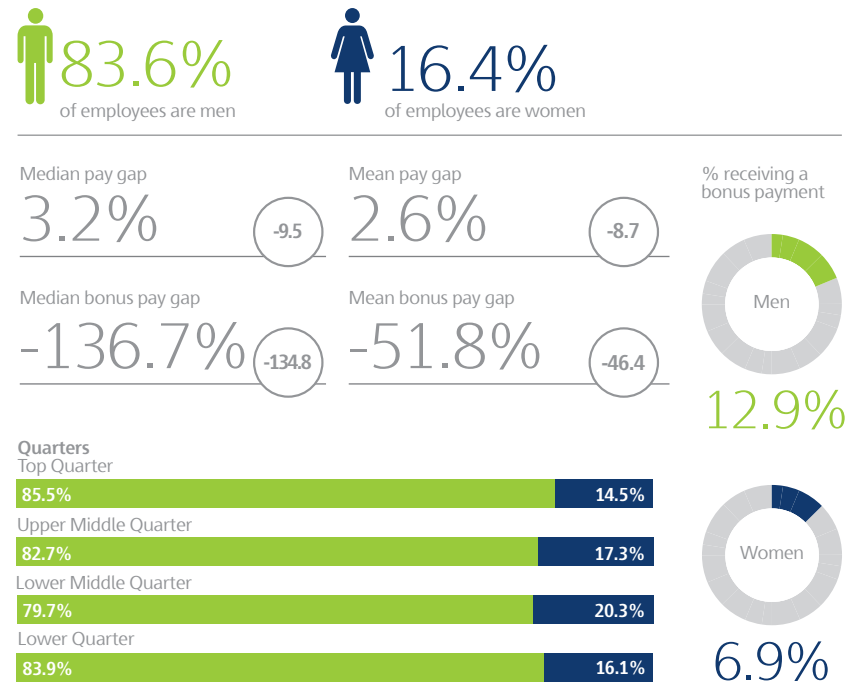
# Skanska UK Plc

There were 3,122 employees of Skanska UK Plc on 5 April 2021, 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 1,506 colleagues on 5 April 2021, working predominantly within our Infrastructure Services business.



x Shows the percentage point change to our 2018 figures.



# Closing the gap

The global pandemic and the economic recovery have increased inequality across society and pushed us to become more agile, accelerating key aspects of our Inclusion and Diversity strategy and well as providing further support and interventions to help those disproportionately affected.

## **1. Strengthening our employee engagement**

We have restructured our Inclusion and Diversity infrastructure, so our employee network leads sit on our I&D Leaders Group. This enables our CEO Gregor Craig who chairs the meetings, to directly understand the opportunities available across Skanska UK to improve our inclusivity.

## **2. Hearing people's experiences**

In 2021, we worked with industry-leading consultants Caerus on the 'Your Lived Experience' project. This involved hosting insight groups with 180 employees from various demographic groups (Black, Asian and ethnic minorities, people with disabilities, white female, white male and LGBT+) to understand their lived experience at Skanska. This has enabled us to obtain a range of quantitative and qualitative data to provide us with helpful insights for our I&D strategy.

## **3. Providing focussed financial support during the pandemic**

Data insights from surveys during 2020 and 2021 have enabled us to understand the differences in experience by gender. For example, this allowed us to respond to the additional pressure put on parents and carers throughout the pandemic, an area where women typically take on more responsibilities and have been disproportionately impacted. The World Economic Forum stated one in four women were considering downshifting their careers or leaving the workforce entirely because of the impact of COVID-19.

To mitigate this, in both 2020 and 2021 Skanska offered additional fully paid dependents leave of one week that could be used whenever needed to help those with caring or home-schooling responsibilities.

We also put in place monitoring to ensure that the proportion of women placed on furlough was in line with our overall Skanska population, to make sure that there was no unconscious bias in the process.



## Closing the gap

### 4. Improving productivity and wellbeing through flexible working

In 2020, we launched our 'Flex-it' framework which aims to provide all employees with more informal flexibility about where and when they work. It marked a significant shift in working patterns for many of our people, allowing them to optimise their personal productivity and wellbeing. It is helping to deliver our aspiration to become a more inclusive workplace, is a key step in creating and implementing new ways of working that reflect our changing times and circumstances and is fundamental to making the construction industry attractive to all.

Prior to the pandemic, we collaborated with Timewise and Build UK on an industry-wide flexible working programme to identify barriers and find solutions to adopting flexible working practices on project sites, in line with our commitment to ensuring we find flexible working solutions for all types of roles, including those with construction site restrictions. The industry report and recommendations were published in June 2021 and aimed to help shift the industry to adopt more flexible working practices, making careers in construction more attractive to women, as well as enabling men to take on more caring responsibilities that will help reduce the gender pay gap in the long-term.

### 5. Developing our people

We hosted a 'Development at Skanska' session for our Womxn's network to highlight all the tools and resources available to support their career progression. Our in-person development programmes in 2020 were put on hold due to the pandemic and our focus switched to developing our online e-learning platform Skanska Academy which is accessible to all employees.

We also ran a Lead and Learn series of webinars which are self-selected rather than nominated programmes, covering various topics such as inclusive leadership, active listening and growth mindset. Across the six webinars, women made up 58% of participants which is much higher than the overall proportion of women in the business.





## Closing the gap

### 6. Promoting inclusive recruitment

Our Inclusion and Diversity strategy continues to focus on creating an inclusive workplace culture that supports our continuing efforts to attract, retain and develop women in our business and close the gender pay gap.

Our experienced hires and emerging talent recruitment policies encourage a greater proportion of women into our business and the wider industry. In the 12 months to April 2020, 23% of experienced hire applications were from women, with 25.6% of total hires being women. In the 12 months to April 2021, 22.5% of applicants were women, with 23% of our total hires being women. Considering the global pandemic, we are encouraged that we maintained a high proportion of female applicants. To continue this trajectory, we are undertaking further targeted recruitment campaigns in 2021 and 2022.

### 7. Attracting young talent

We engage with several schools and colleges in the communities where we work to showcase the variety of roles available, dispel myths and build interest in the construction industry. In 2020, this engagement took the form of virtual 'Experience Skanska' days and involved over 100 young people.

This local engagement is supported by numerous social media campaigns on LinkedIn and Twitter. These campaigns use the real-life experiences of Skanska's women to celebrate International Women's Day, National Apprentices Week and International Women in Engineering Day (IWED) and generate interest in construction as an attractive career option for young women.

In 2020, 30% of the job offers we made to emerging talent (apprentices, interns and graduates) were to women. This is a significant increase from 2019's figure of 21%. Looking specifically at our graduate offers, 42% were made to female applicants in 2020, up from 37.5% in 2019.



# Appendix: Our year-on-year disclosures

## Skanska UK Overall

	2017		2018		2019		2020		2021	
	male	female	male	female	male	female	male	female	male	female
Employee Split (male/female %)	<b>78.6%</b>	<b>21.4%</b>	<b>77.8%</b>	<b>22.2%</b>	<b>76.9%</b>	<b>23.1%</b>	<b>76.4%</b>	<b>23.6%</b>	<b>76.6%</b>	<b>23.4%</b>
Median gender pay gap	<b>17.4%</b>		<b>20.2%</b>		<b>16.0%</b>		<b>16.0%</b>		<b>12.6%</b>	
Mean gender pay gap	<b>19.7%</b>		<b>21.4%</b>		<b>19.4%</b>		<b>18.1%</b>		<b>15.3%</b>	
Median bonus pay gap	<b>71.5%</b>		<b>77.7%</b>		<b>52.8%</b>		<b>23.6%</b>		<b>3.6%</b>	
Mean bonus pay gap	<b>41.3%</b>		<b>33.6%</b>		<b>41.2%</b>		<b>11.9%</b>		<b>-9.0%</b>	
Male employees who received a bonus	<b>29.1%</b>		<b>27.7%</b>		<b>16.0%</b>		<b>29.3%</b>		<b>28.7%</b>	
Female employees who received a bonus	<b>18.3%</b>		<b>16.0%</b>		<b>8.9%</b>		<b>15.3%</b>		<b>14.4%</b>	
Proportion of men and women in each pay band quarter	male	female	male	female	male	female	male	female	male	female
Upper quarter	<b>88.9%</b>	<b>11.1%</b>	<b>87.5%</b>	<b>12.5%</b>	<b>85.5%</b>	<b>14.5%</b>	<b>84.4%</b>	<b>15.6%</b>	<b>84.9%</b>	<b>15.1%</b>
Upper middle quarter	<b>79.7%</b>	<b>20.3%</b>	<b>81.9%</b>	<b>18.1%</b>	<b>78.9%</b>	<b>21.1%</b>	<b>78.8%</b>	<b>21.2%</b>	<b>76.7%</b>	<b>23.3%</b>
Lower middle quarter	<b>74.0%</b>	<b>26.0%</b>	<b>73.9%</b>	<b>26.1%</b>	<b>74.4%</b>	<b>25.6%</b>	<b>72.6%</b>	<b>27.4%</b>	<b>73.3%</b>	<b>26.7%</b>
Lower quarter	<b>73.6%</b>	<b>26.4%</b>	<b>67.6%</b>	<b>32.4%</b>	<b>67.8%</b>	<b>32.2%</b>	<b>68.4%</b>	<b>31.6%</b>	<b>71.2%</b>	<b>28.8%</b>



# Appendix: Our year-on-year disclosures

## Skanska UK Plc

	2017		2018		2019		2020		2021	
	male	female	male	female	male	female	male	female	male	female
Employee Split (male/female %)	75.5%	24.5%	74.8%	25.2%	73.3%	26.7%	72.0%	28.0%	72.0%	28.0%
Median gender pay gap	26.7%		24.7%		22.8%		23.1%		23.9%	
Mean gender pay gap	27.2%		25.9%		25.8%		25.0%		23.2%	
Median bonus pay gap	36.1%		36.9%		43.0%		47.3%		27.2%	
Mean bonus pay gap	30.1%		17.3%		49.6%		22.8%		6.8%	
Male employees who received a bonus	30.0%		29.6%		15.0%		33.2%		34.1%	
Female employees who received a bonus	14.7%		12.3%		10.2%		17.3%		16.5%	
Proportion of men and women in each pay band quarter	male	female	male	female	male	female	male	female	male	female
Upper quarter	89.1%	10.9%	89.0%	11.0%	87.7%	12.3%	86.1%	13.9%	86.5%	13.5%
Upper middle quarter	81.0%	19.0%	78.4%	21.6%	77.9%	22.1%	76.6%	23.4%	76.9%	23.1%
Lower middle quarter	71.2%	28.8%	71.2%	28.8%	68.9%	31.1%	68.0%	32.0%	68.9%	31.1%
Lower quarter	63.2%	36.8%	63.0%	37.0%	60.5%	39.5%	58.7%	41.3%	58.7%	41.3%



# Appendix: Our year-on-year disclosures

## Skanska Construction UK Ltd

	2017		2018		2019		2020		2021	
	male	female	male	female	male	female	male	female	male	female
Employee Split (male/female %)	81.8%	18.2%	82.1%	17.9%	81.4%	18.6%	81.9%	18.1%	83.6%	16.4%
Median gender pay gap	12.3%		22.4%		10.1%		12.7%		3.2%	
Mean gender pay gap	10.6%		15.9%		10.8%		11.3%		2.6%	
Median bonus pay gap	48.0%		34.2%		36.9%		-1.9%		-136.7%	
Mean bonus pay gap	53.3%		61.6%		13.1%		-5.4%		-51.8%	
Male employees who received a bonus	20.6%		18.1%		10.4%		17.7%		12.9%	
Female employees who received a bonus	27.8%		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	male	female
Upper quarter	88.2%	11.8%	89.7%	10.3%	87.6%	12.4%	87.7%	12.3%	85.5%	14.5%
Upper middle quarter	84.3%	15.7%	85.7%	14.3%	80.5%	19.5%	81.7%	18.3%	82.7%	17.3%
Lower middle quarter	74.9%	25.1%	75.9%	24.1%	73.4%	26.6%	75.9%	24.1%	79.7%	20.3%
Lower quarter	81.3%	18.7%	73.7%	26.3%	79.5%	20.5%	77.6%	22.4%	83.9%	16.1%