

Our gender
pay gap
report
2017





Foreword

“At Skanska, we are proud to be a leading constructor and developer involved in some of the UK’s most complex and exciting building and infrastructure projects shaping the country’s cities and communities. Our purpose is to build for a better society, and for us, that’s one where everyone has equality of opportunity.

“Our complex portfolio of projects demands a varied mix of skills and experience which is why we have identified diversity and inclusion as one of our key business plan sustainability focus areas. This is because we recognise that diverse teams bring mixed perspectives and perform better.

“Focusing specifically on gender, whilst our workforce remains predominantly male (78.6% of employees on the snap shot date) across Skanska UK, we’re working to change things – at a senior level women make up 28% of the UK Executive team and 33% of the Group Leadership Team.

“We’re committed to growing this number and are making progress toward this - 62% of our external hires to leadership positions during 2017 were female and we aim to have at least one female on our shortlist for senior leadership roles. Looking at our emerging talent (apprentices, trainees, graduates and interns) pipeline, 33% were female during 2017, rising steadily from 27% in 2016 and 19% in 2015.

“I confirm this report is accurate and provides our gender pay analysis at the snap shot date of **5 April 2017** and declare our commitment to work 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 and 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 UK Government's new Gender Pay Gap regulation requires all companies to report their gender pay gap for all legal entities in the UK with more than 250 employees.

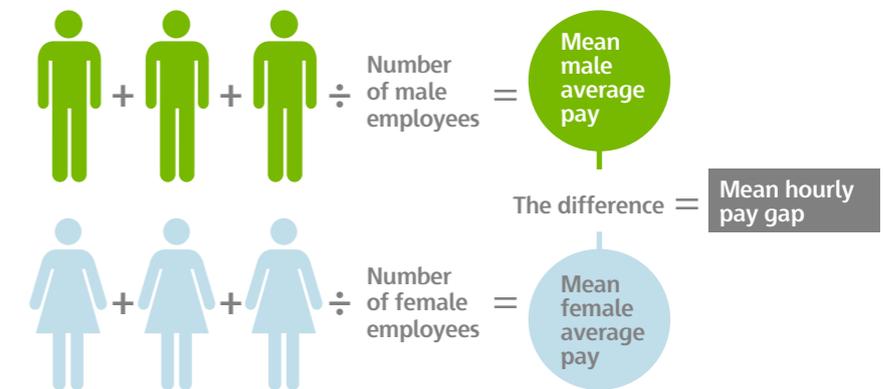
Skanska employed 5,760 people across two legal entities in the UK covered by the regulations on 5 April 2017:

- Skanska UK Plc
- Skanska Construction UK Ltd

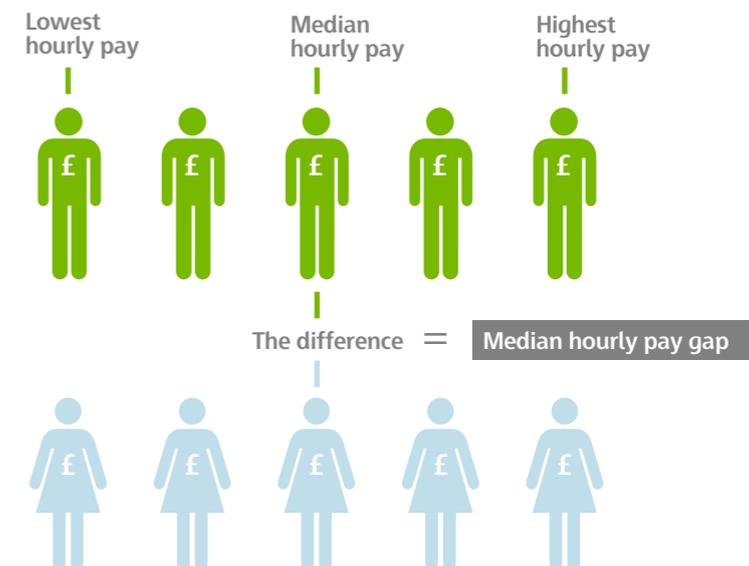
In addition, this report also includes an overall gender pay figure for Skanska UK, combining data for all 6,034 employees - including those in legal entities with fewer than 250 employees.

We are reporting the mid-point (median) and mean (average) pay gaps between men and women's hourly pay on the snap shot date of 5 April 2017. The mid-point and mean bonus gaps include all bonuses paid in the 12 months up to 5 April 2017. Finally, we provide information on the percentage of men and women in each of the equally sized quartiles.

How we calculate the mean difference



How we calculate the median difference





Skanska UK

As well as the information required under the legislation, here we provide our overall gender pay figures for the 6,034 colleagues employed across all of our legal entities on 5 April 2017. Of this population, 78.6% were men and 21.4% women.

A key factor in our gender pay gap is that we have more men at senior levels than women – looking at the top pay quartile, nearly 89 percent are men. We want to change this and to encourage more women to join us and progress to senior roles.

Looking at our bonus gap, one contributing factor is that our main company bonus scheme is linked to both overall company performance and the performance of the specific part of the business the individual works in. For the bonus period in question, there were more men who received a bonus linked to business areas with stronger bonus performance.

We recognise we have work to do to improve our gender pay gap and gender balance. We know that a lack of workforce diversity is an industry-wide problem and are working to bring more women, and indeed other under-represented groups, in to construction as well as to Skanska. Read about the initiatives we have underway to attract, develop and retain more women and create more inclusive environments on pages 6 and 7.

Median pay gap

17.4%

Mean pay gap

19.7%

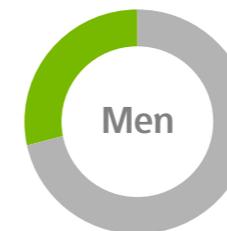
Median bonus pay gap

71.5%

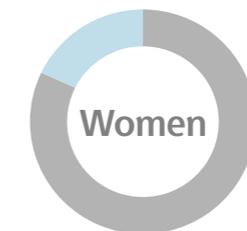
Mean bonus pay gap

41.3%

% receiving a bonus payment



29.1%



18.3%

Quartiles

Top Quartile



Upper Middle Quartile



Lower Middle Quartile



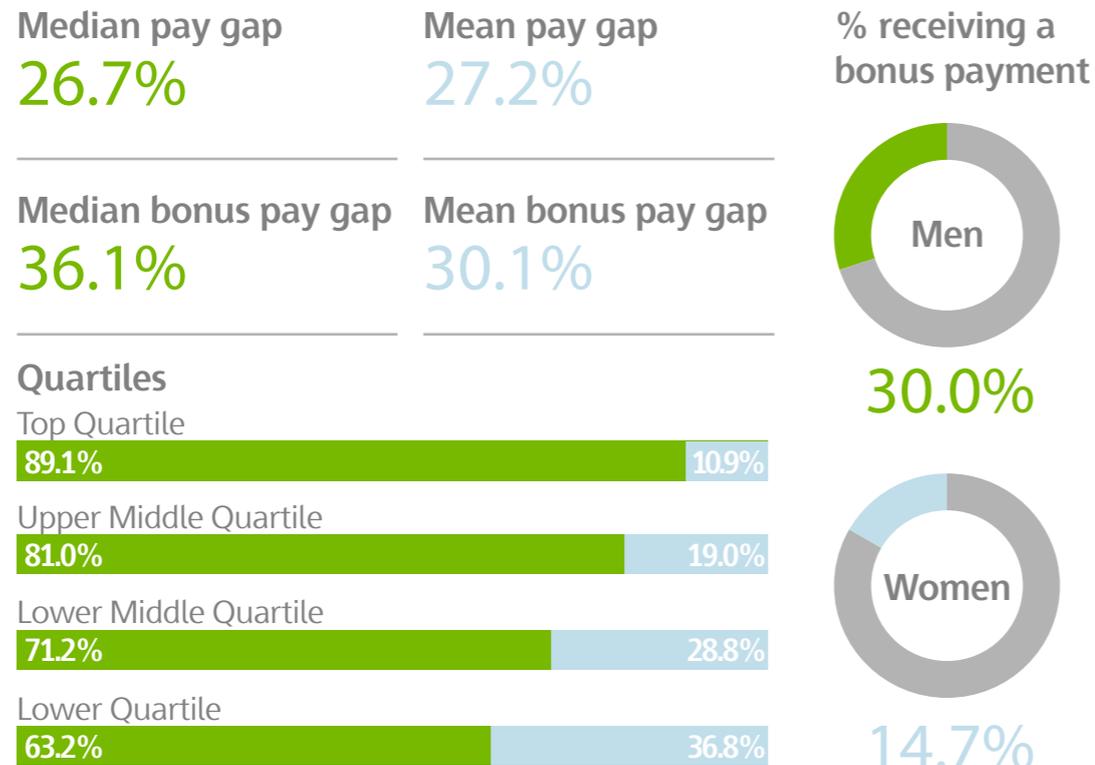
Lower Quartile





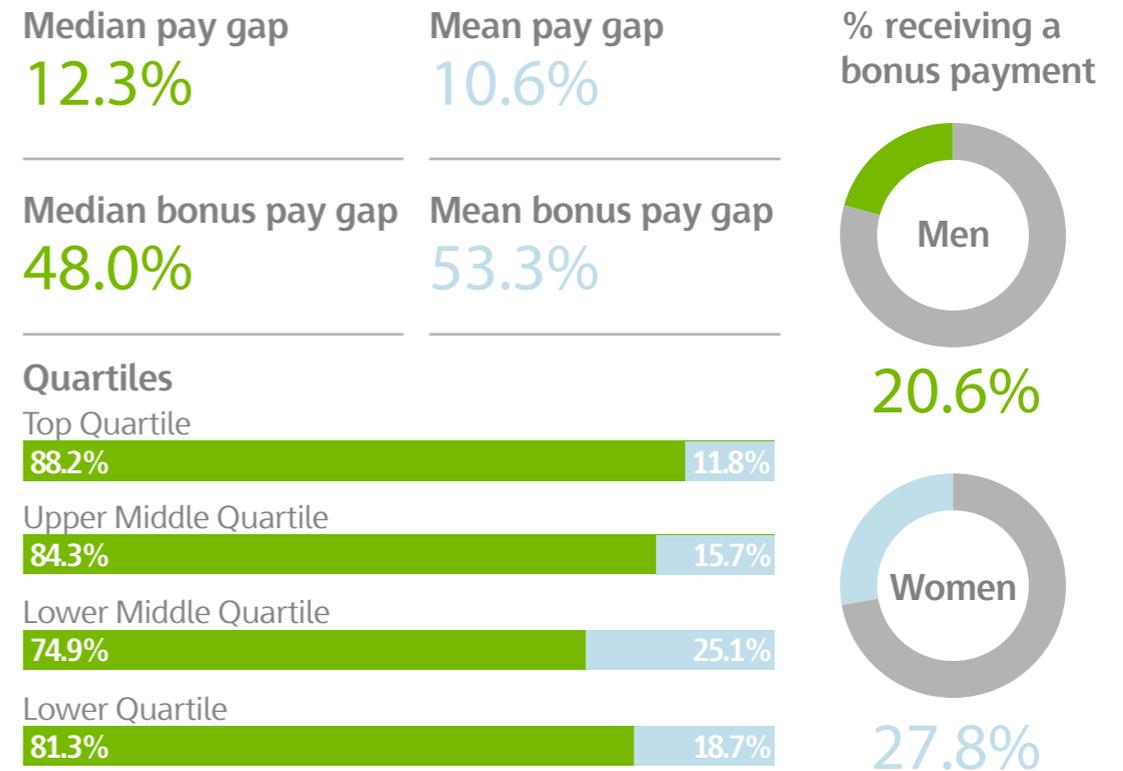
Skanska UK PLC

Skanska UK Plc employed 3,829 people on 5 April 2017, working predominantly in our corporate enabling functions and across our building, civil engineering and facilities activities.



Skanska Construction UK Ltd

Skanska Construction UK Ltd employed 1,931 people on 5 April 2017, working predominantly within utilities and infrastructure services.





Closing the gap

Our ambition is to create inclusive environments that attract and engage more women – as well as other under-represented groups – to make Skanska an even more vibrant and high-performing company. We will tackle our gender pay gap by continuing to focus on a number of areas:

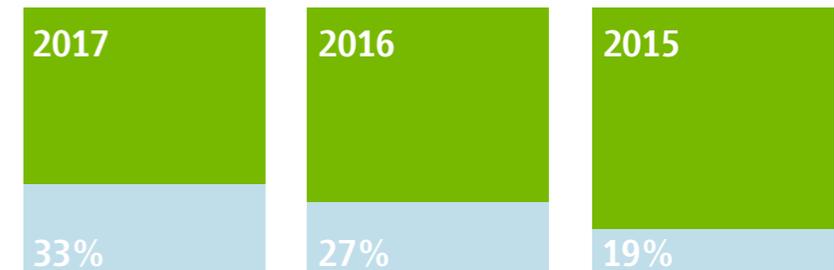
Inclusive recruitment

We recognise that in order to change the gender profile of our business and industry, we need to encourage more women to consider a career in construction and represent as much diversity as possible through the promotion of our roles. We're pleased that women accounted for 33% of our apprentice, trainee, intern and graduate recruits in 2017.

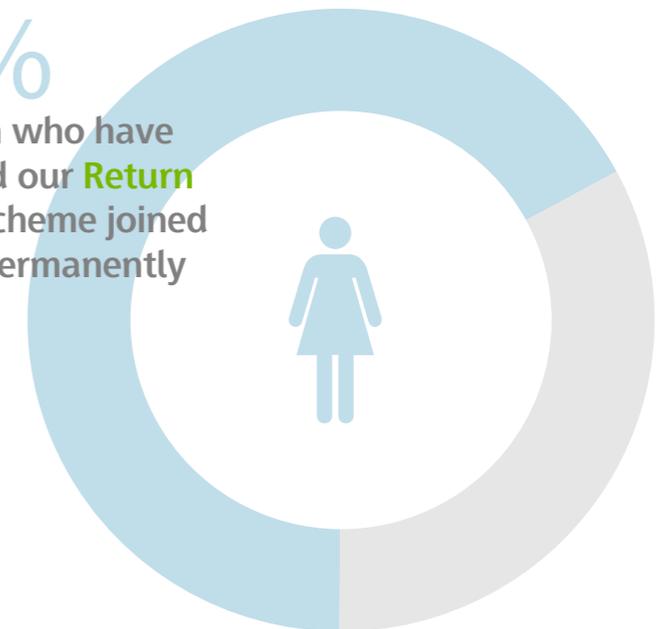
We include unconscious bias training within our two day Inclusive Recruiting Workshop to ensure we operate a fair and objective selection process.

Experience Skanska offers people from different backgrounds with varied experiences the opportunity to join Skanska, to see what it's like to work here. Within the programme, we operate a **Return to Work** scheme offering 12-week placements for suitable people looking to get back in to work after a career break. It involves a paid internship including mentoring to support career development, as well as external coaching to help grow confidence and overcome any barriers. Following the internship, candidates may be offered a permanent role and 67% of women who have completed our return to work placement scheme went on to join Skanska permanently.

33% of apprentices, trainees, graduates and interns are female, rising from 27% in 2016 and 19% in 2015.



67% of women who have completed our **Return to Work** scheme joined Skanska permanently





Closing the gap

Supporting women to remain in work

Within our portfolio of leadership and management training we have incorporated emotional intelligence, alongside unconscious bias training in order to support our managers to create an inclusive work environment.

We offer enhanced maternity pay, which includes a return to work bonus and we've seen 87% of our employees return from maternity leave and remain with the business. We consider flexible working options wherever possible to support all our employees, regardless of gender, to support their work-life balance. On a practical note, we also provide safety equipment tailored specially for women.

Tailored development and support

We operate a successful mixed-pair mentoring programme designed to retain and support women within Skanska.

Our women's network - an employee-led group - is committed to supporting, encouraging and retaining the skilled and talented women across our business.

Inspiring the next generation

We want to lead industry change, so it's important that we not only focus on attracting more diversity into construction now, but also on inspiring the future generation to consider construction, and Skanska, as a career choice.

More than 300 Skanska STEM Ambassadors support hundreds of activities in schools, colleges and universities; providing information, CV advice and promoting construction and engineering opportunities.

Skanska representatives are also involved in development of the new T-level qualification, helping to shape the curriculum for a new technical route to industry.

We also support two University Technical Colleges through sponsorship and STEM activities, providing specialist teaching in engineering for 14-19 year olds and work actively with them to encourage a diverse intake of students.

