

Our gender
pay gap
report
2018





Foreword

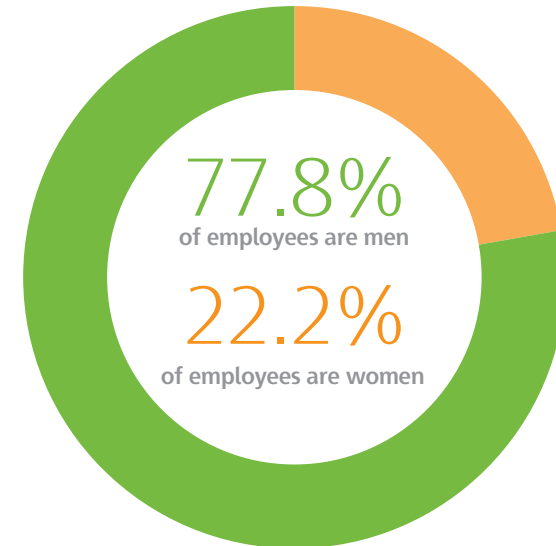
At Skanska, our purpose is to build for a better society. To achieve this, it is vital that we have an inclusive workplace culture where everyone is empowered to be their authentic self.

We are proud to be a leading constructor and developer in the UK involved in complex and exciting building and infrastructure projects, and services. Our complex portfolio of projects and services demands a varied mix of skills, and we know that diverse teams with mixed perspectives perform better.

Our overall gender pay gap increased this year, significantly impacted by an increase in the value of allowances paid, in the reference period, as a result of the extreme weather in February and March last year. We look at this in more detail on page four.

Our workforce remains predominantly male (77.8% of employees on the snapshot date), but we're working to change things – 28% of our new hires in 2018 were women. For emerging talent roles (apprentices, trainees, graduates and interns) 35% were female during 2018. At the end of 2018, women held 31% of our senior roles. Looking specifically at our senior operational jobs, we've seen considerable progress. In 2015 4% of the roles were held by women, this grew to 9.7% in 2016 and has been at 15% since 2017.

Progress has been made, but we know there is further work to do and we will continue to work tirelessly to achieve the aims of our diversity and inclusion strategy.



"I confirm this report is accurate and provides our gender pay analysis at the snapshot date of 5 April 2018 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?

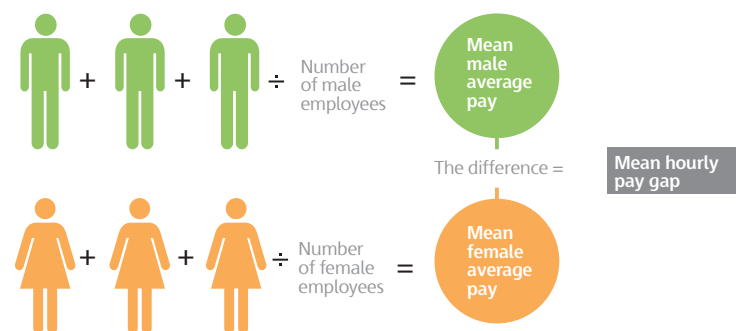
The gender pay gap is the difference between the average (mean) and mid-point (median) pay of men and women. It does not measure equal pay, which relates to what women and men are paid for the same jobs or work of equal value.

In this report we provide median and mean pay gaps between men and women’s hourly pay (base salary and allowances) on the snapshot date of 5 April 2018. The quartiles information shows the percentage of men and women, when all employees are divided into four equal sections (quartiles), ranging from highest to lowest paid.

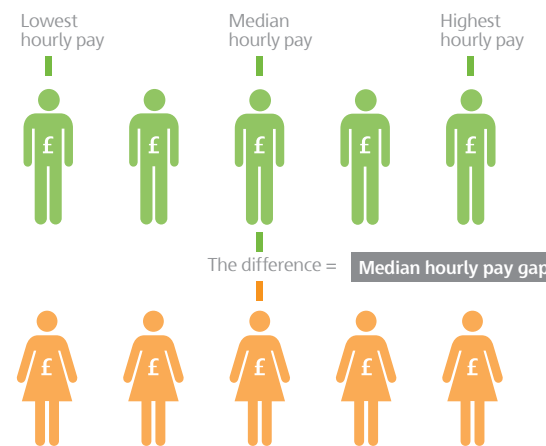
The bonus gap includes bonuses paid in the 12 months to 5 April 2018. We also report the proportion of men and women receiving bonus payments.

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. Here we also report our Skanska UK overall gender pay gap figures, combining data for our 6,042 colleagues employed across all of our legal entities – including those with fewer than 250 employees.

How we calculate the mean difference



How we calculate the median difference





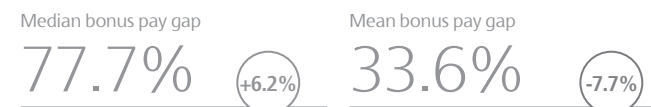
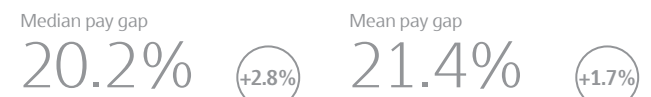
Our gender pay gap

Skanska UK employed 6,042 colleagues across all our legal entities on the snapshot date of 5 April 2018. Of this population 77.8% were men and 22.2% were women - an increase of 0.8% on 2017.

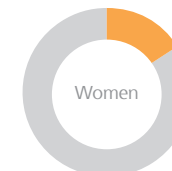
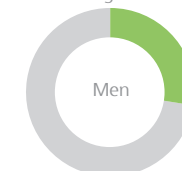
Our overall median gender pay gap has increased by 2.8% to 20.2%. In Skanska UK Plc (see page 5) our median pay gap reduced by 2.0% to 24.7%, indicating that we are moving in the right direction. However, for Skanska Construction UK Ltd (also page 5) the median pay gap increased by 10.1% to 22.4%. This rise was heavily influenced by the weather. In February and March 2018 the UK was battered with extreme events including the 'Beast from the East' and Storm Emma. We subsequently saw a significant spike in the value of allowances being paid for activities such as call out and road gritting in the referenced pay period of April 2018, compared to the previous year. The vast majority of individuals in receipt of these allowances were men, and this has been a major contributing factor in our increased pay gap.

Our gender pay gap continues to be influenced by the fact that we have more men at senior levels than women. Looking at the top pay quartile, men make up 87.5% compared to 77.8% of our overall population. Ideally, we would like to see the proportion of women in each of our quartiles reflect our overall gender split. However, we know this change will take time as we recognise that a lack of workforce diversity continues to be an industry-wide problem. We are committed and taking practical steps to attract, develop and retain women and other under-represented groups to Skanska. On pages 6 and 7 we talk about some of the many ways we're creating a more inclusive culture.

Skanska UK Overall



% receiving a bonus payment



27.7%

16.0%

Quartiles

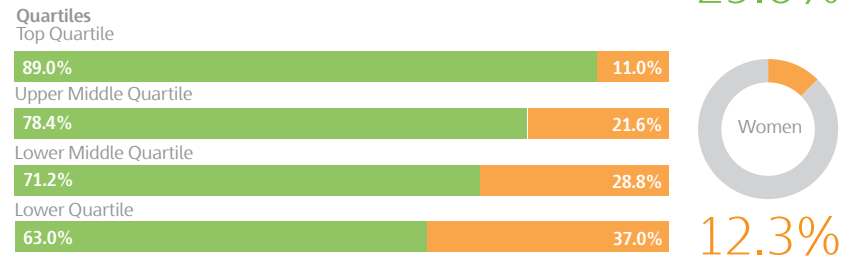
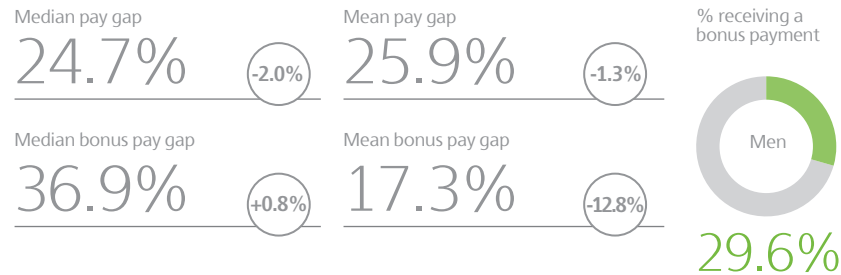


(x)% Shows the change to our 2017 figures



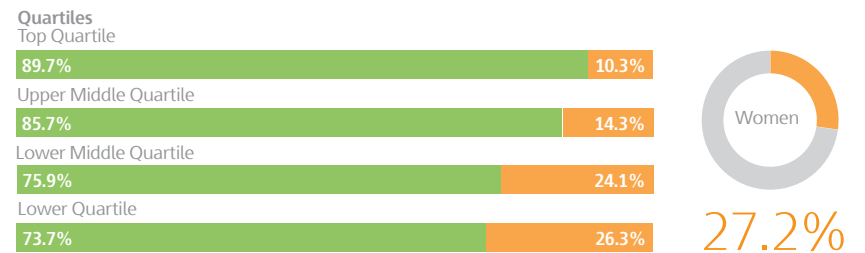
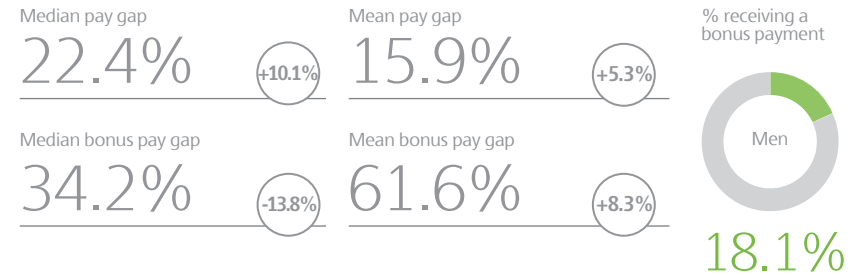
Skanska UK Plc

There were 4,031 employees of Skanska UK Plc on 5 April 2018, working predominantly across our building, civil engineering, and facilities activities and in our corporate enabling functions.



Skanska Construction UK Ltd

Skanska Construction UK Ltd employed 1,808 colleagues on 5 April 2018, working predominantly within utilities and infrastructure services.



x% Shows the change to our 2017 figures



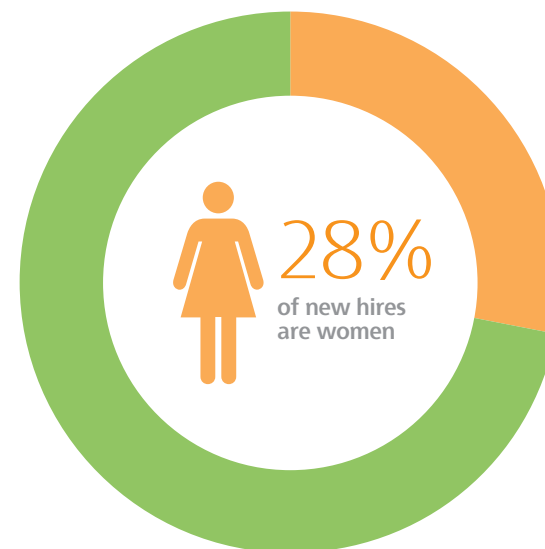
Closing the gap

Our focus is on building an inclusive workplace culture so everyone can be their whole selves at work. This will enable our people to perform at their best and, in turn, make Skanska an even more high-performing and vibrant company. In our 2017 report we talked about our approach to tackling the gender pay gap and these continue to be our focus areas.

Inclusive recruitment

Unconscious bias training is included in our two-day Inclusive Recruiting Workshop to ensure hiring managers operate a fair and objective selection process. 28% of our new hires in 2018 were women. To further support inclusive recruitment we have introduced **Recruitment Gateways**. These ensure evidence-based decision making throughout the recruitment process and that candidates are assessed equally, thereby reducing the risk of decisions being made due to unconscious bias.

The creation of our **recruitment dashboard** allows us to understand the gender split of our candidates at application, shortlist and hired stage. This insight allows us to understand whether our entire recruitment process is supportive of an inclusive recruitment approach.





Closing the gap

Inspiring the next generation

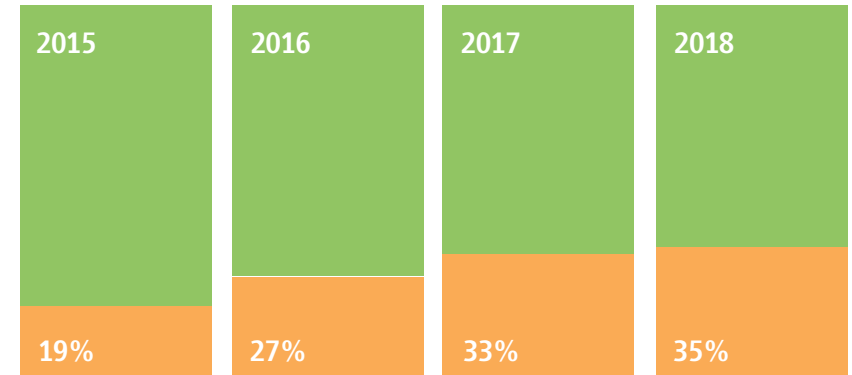
In our **emerging talent** population (apprentices, trainees, interns and graduates) we are encouraging a greater proportion of women into our business and the wider industry. Our special partnerships with two University Technical Colleges also help to bring a more diverse workforce into the industry. In 2018 we were pleased that women accounted for 35% of our emerging talent population, up from 33% in 2017. Our graduate intake in 2018 was 44% female, up from 27% in 2017.

Experience Skanska

Our Experience Skanska programmes are designed to attract and recruit people from diverse groups, and support those that may experience barriers to entering our industry. Our Return to Work programme has been running for four years and specifically helps us target professional women in to mid to senior roles, particularly in our scarce skills areas. The programme consists of a 12 week paid placement with coaching and mentoring support, with the aim of converting this placement into a permanent position with Skanska.

Supporting women to remain in work

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



35%

of apprentices, trainees, graduates and interns are female, rising from 33% in 2017.



Appendix: Our year-on-year figures

Skanska UK Overall

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

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

Skanska UK Plc

	2017	2018
Median gender pay gap	26.7%	24.7%
Mean gender pay gap	27.2%	25.9%
Median bonus pay gap	36.1%	36.9%
Mean bonus pay gap	30.1%	17.3%
Male employees who received a bonus	30.0%	29.6%
Female employees who received a bonus	14.7%	12.3%

Proportion of men and women in each quartile pay band	male	female	male	female
Upper quartile	89.1%	10.9%	89.0%	11.0%
Upper middle quartile	81.0%	19.0%	78.4%	21.6%
Lower middle quartile	71.2%	28.8%	71.2%	28.8%
Lower quartile	63.2%	36.8%	63.0%	37.0%

Skanska Construction UK Ltd

	2017	2018
Median gender pay gap	12.3%	22.4%
Mean gender pay gap	10.6%	15.9%
Median bonus pay gap	48.0%	34.2%
Mean bonus pay gap	53.3%	61.6%
Male employees who received a bonus	20.6%	18.1%
Female employees who received a bonus	27.8%	27.2%

Proportion of men and women in each quartile pay band	male	female	male	female
Upper quartile	88.2%	11.8%	89.7%	10.3%
Upper middle quartile	84.3%	15.7%	85.7%	14.3%
Lower middle quartile	74.9%	25.1%	75.9%	24.1%
Lower quartile	81.3%	18.7%	73.7%	26.3%