



Gender Pay Gap Report 2024

April 2025

Balfour Beatty



Front cover image:
Kinardochoy overhead line project, Scotland

My Contribution collaboration session, London

Foreword

We all know there is massive investment needed in infrastructure to support key priorities such as energy, Net Zero and defence. For the UK as a whole, including Balfour Beatty, this is a significant opportunity, but also a challenge. Collectively we need to mobilise all available talent to build the skilled workforce to deliver these needs.

Our sector has a crucial role to play – starting with becoming a more diverse and inclusive industry that attracts, retains, and advances talent at every level. It's the right thing to do.

One vital measure of progress is our UK gender pay gap. Since Balfour Beatty began reporting on this in 2017/18, we've reduced our pay gap by 7%, an improvement of around 30%. We've reduced our median gender pay gap from 29.9% to 22.6% in 2023/24, and our mean gap from 23.7% to 16.6%.

While this year's decrease of around 0.5% shows continuing progress, we know there's more to do. Achieving meaningful change is a long-term commitment that requires sustained focus and action. Our gender pay gap reflects that women are under-represented in senior and technical roles, where pay tends to be higher. These are roles requiring significant industry experience, and our leadership pipeline is still catching up with efforts to attract and retain more women to build lifelong careers in the industry, and with Balfour Beatty.

That's why - in driving to increase women's representation at all levels - we really emphasise early careers recruitment: today, women make up 22% of our UK workforce, and 27% of those are in early careers roles.

This investment is essential for long-term improvement – even if, in the short term, it is having an adverse impact on our gender pay gap.

To help widen and diversify our talent pool, we've introduced family-friendly policies, smart working arrangements, and tailored development programmes for groups we've identified as currently under-represented. To ensure accountability, in our UK operations we've set targets for diversity levels, with progress reported regularly to our Executive Committee and Board.

It's a comprehensive approach, and one central to our strategy of creating an environment that supports the growth and retention of talent from within. Balfour Beatty's goal is no less than securing a more sustainable and inclusive future for our business and the wider sector. Unlocking the full range of potential talent is crucial to individual lives, and to our continued success as an industry leader.

Leo Quinn

Group Chief Executive
Balfour Beatty



The UK Gender Pay Gap Regulations

Under the UK Government's Gender Pay Regulations, introduced in April 2017, all employers with more than 250 employees are required to report their gender pay gap annually.

At Balfour Beatty, we support the Government's efforts to increase awareness and action on this issue. We are committed to reviewing our gender pay gap data each year and using the insights it provides to support our journey toward greater inclusivity as a business. Transparency is key to this, and we view openness about our gender pay gap, both internally and with others across and beyond our industry, as central to maintaining momentum and achieving lasting change.

The data for our calculations is based on payroll records closest to the snapshot date of 5 April 2024, covering both monthly and weekly paid colleagues. Due to the nature of our workforce, year-on-year changes in its composition, and the varied ways we remunerate employees, fluctuations in actual pay can impact the results. Nevertheless, we remain focused on the insights this data provides and on taking steps to address underlying disparities.

London Power Tunnels 2



The Gender Pay Gap and Equal Pay

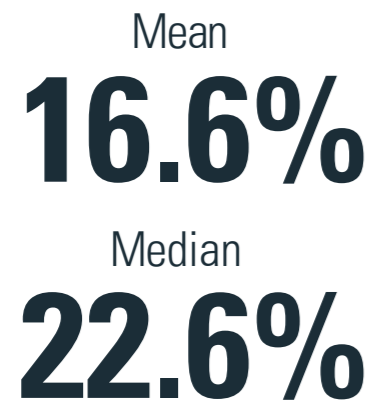
It is important to be clear about the difference between equal pay and the gender pay gap.

Equal pay, as mandated by the Equality Act 2010, ensures that men and women in comparable roles receive the same pay for the same work. At Balfour Beatty, we value and uphold this principle, firmly believing that individuals should be compensated fairly and competitively based on their skills and the role they perform. We do not discriminate on any grounds, including gender, race, sexuality, or religious beliefs, and are confident that we pay our employees fairly for the work they do. Our robust controls ensure that all pay and reward decisions are based on fairness, consistency, and merit, as we always aim to hire the best person for the job, regardless of gender.

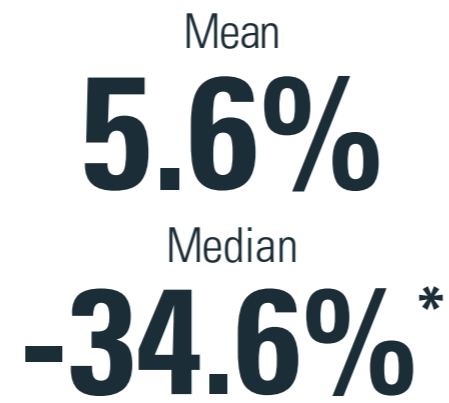
In contrast, the gender pay gap measures the difference in the average hourly pay of men and women across all roles, regardless of the nature of their work. This gap is influenced by various factors, including the demographics and composition of a company's workforce. Understanding this distinction helps clarify our commitment to tackling the structural factors behind the gender pay gap while maintaining our adherence to equal pay principles.

Balfour Beatty Group Employment Limited Gender Pay Data

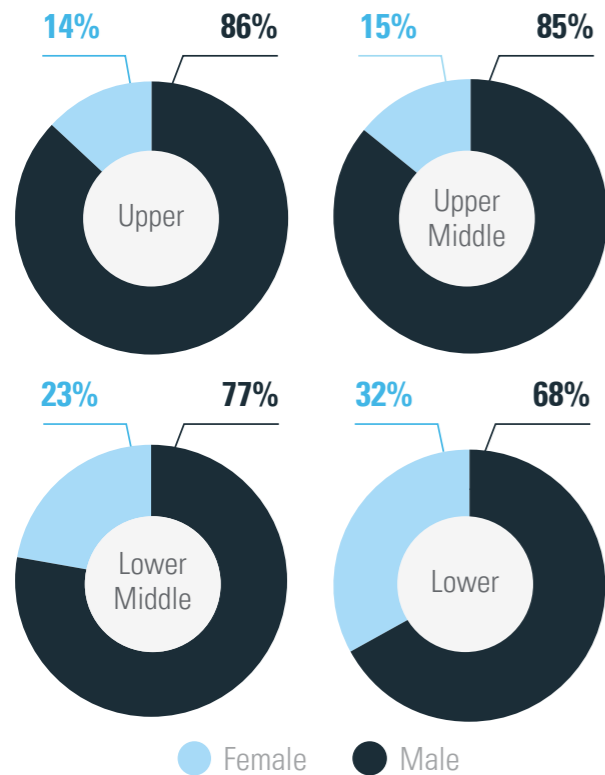
Mean and median gender pay gap



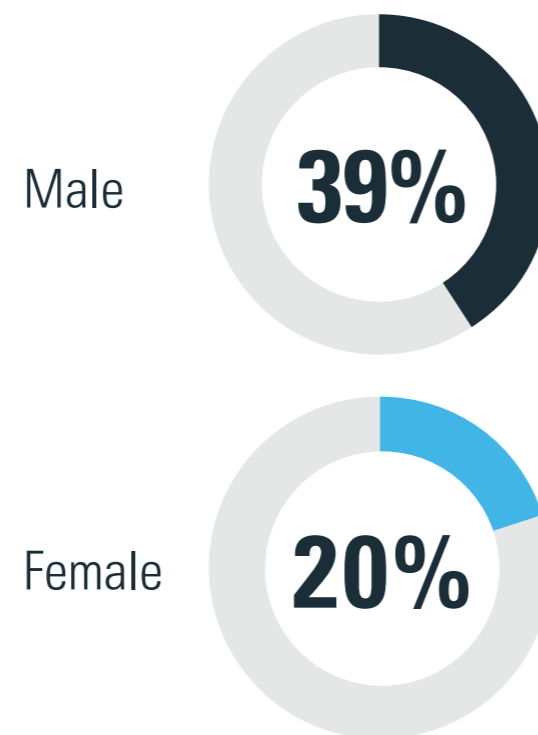
Mean and median gender bonus gap



Proportion of men and women in each quartile of the organisation's pay structure



Proportion of employees receiving a bonus payment



*The minus signifies that the gap here is in favour of women

Defining the Terminology

Median Pay Gap

The median pay gap represents the difference in pay between the middle-ranking woman and the middle-ranking man within an organisation. To calculate this, all employees are 'lined up' by salary - one 'line' for men and another for women. The median pay gap is the difference between the salary of the woman in the middle of her 'line' and the man in the middle of his.

Mean Pay Gap

The mean pay gap measures the average pay difference between men and women in an organisation. It is calculated by dividing the total wage bill for each gender by the number of employees in that gender group, then comparing the two averages. This provides an overview of how pay is distributed across the entire workforce.

Gender Identity

The data in this report categorises employees as either male or female, in line with UK Government reporting requirements. However, we recognise that not everyone identifies within this binary framework, and we are committed to supporting our non-binary colleagues.

Guided by our LGBTQ+ Affinity Network - one of five Affinity Networks within our organisation - we aim to create a workplace where everyone feels valued and free to be themselves, regardless of their gender identity or sexual orientation. We value these important networks for the role they play in building understanding across all areas of diversity and inclusion. They help us drive meaningful change over the medium to long term by formulating actionable plans, promoting a more inclusive workplace, and fostering innovation, understanding, and harmony.



Understanding Our Gender Pay Gap

To understand our UK gender pay gap, we look beyond the numbers and focus on the underlying causes. The UK construction sector as a whole continues to contend with one of the most significant and persistent gender pay gaps among all industries, alongside sectors including finance, insurance, and education.

This gap is influenced by a variety of factors, including the underrepresentation of women in higher-paying roles, the relatively low number of women in the sector overall, and the smaller pool of women from which to recruit for senior positions compared to the larger pool of men. This disparity in the available talent pool for senior roles is a challenge we are actively working to address through our recruitment and talent development strategies.

Women currently make up c.22% of our workforce, surpassing the UK industry average of 14.7%¹. While this shows progress in our own business, it also highlights the clear need for further improvement, both in our own business and across the wider industry.

The year-on-year reduction in our 2023/24 gender pay gap aligns with what we've seen in our modelling. In 2024, there was a slight increase in female representation within the two middle pay quartiles in our UK business. With other demographics staying largely consistent, this shift has contributed to a decrease in the pay gap.

As in previous years, our gender pay gap is largely driven by the greater representation of men in higher-paying, senior roles. Men outnumber women across all four of our pay quartiles, though we are actively working to address this imbalance. For example, we are pleased to be making solid progress in attracting more women into early career roles, with women accounting for 27% of our early careers population. However, this effort to build a strong pipeline of female talent can be detrimental to reducing the pay gap, as these roles are lower-paying entry-level or apprentice positions. While this creates a short-term challenge in terms of our gender pay gap statistics, it's a crucial step towards building a more diverse and equitable workforce in the long term.

Over time, we are confident that this strategy will have a positive impact on closing the gender pay gap as women advance within the company and move into higher-paying roles. Our promotion rate for women was 3% higher in 2024 than the overall promotion rate, which is a promising sign of progress, while the voluntary turnover amongst the female population was 0.7% lower than the average over the year. By continuing to support and develop female talent, we are laying the foundation for sustainable change that will not only reduce our gender pay gap but also help to build a more inclusive and balanced workforce.

Diversity, Equity and Inclusion at Balfour Beatty

At Balfour Beatty, our approach has always been about more than just closing the gender pay gap – it's about creating a business where everyone, regardless of background, can thrive. Over the past seven years, analysing our UK gender pay gap data has given us valuable insights and helped us dig deeper into what drives change. We are using this understanding to model future scenarios and inform our approach, ensuring we stay focused on meaningful progress.

In 2024, we have continued to make progress on our UK Diversity and Inclusion Strategy², advancing the goals outlined in our three-year Value Everyone UK Action Plan (2023 – 2025). This plan provides a clear roadmap for increasing the diversity of our workforce, with ambitious targets to accelerate change:

- Increasing the number of female colleagues by 50% in our UK business by 2030 against a 2021 baseline.
- Increasing Minority Ethnic and Black representation by 60% by 2030 in our UK business, against a 2021 baseline.

We are already seeing positive progress toward these goals and remain fully committed to achieving them.

The steps outlined in our UK Action Plan and Diversity and Inclusion Strategy are helping us shape a more inclusive, diverse workforce where every individual feels valued. We believe this continued focus will drive lasting change

for the better and are pleased that the action we have taken so far, has helped drive strong engagement within our UK female population – an 85% engagement index score in 2024. However, recognising that meaningful, sustainable change takes time, we are committed to leading this transformation from the top. Our Group Chief Executive, Leo Quinn, serves as our board-level sponsor for Diversity, Equity and Inclusion, ensuring we maintain momentum and embed a true cultural shift across the organisation. We also know that listening to our people is key to achieving real progress, which is why we are guided by our five employee-led Affinity Networks³ supporting under-represented groups: Ability; Gender; LGBTQ+; Neurodiversity and Multi-Cultural. These groups play a vital role in shaping the initiatives and actions that make a tangible difference in driving diversity, equity and inclusion at Balfour Beatty.

- ▶ **Policies:** As part of our wider commitment to supporting our workforce, we have a suite of inclusive policies designed to help employees balance work and home life, while also attracting and retaining a diverse team. These include, for example:
 - 28 weeks of full-pay maternity/adoption leave, four weeks full-pay paternity/partners leave, and up to 28 weeks paid shared parental leave.

¹ Statista, Q3 2024 data

² <https://www.balfourbeatty.com/media/ja3ltsus/balfour-beatty-value-everyone-uk-diversity-inclusion-strategy.pdf>

³ <https://www.balfourbeatty.com/about-us/how-we-operate/diversity-and-inclusion/our-affinity-networks/>

- Paid time off for fertility treatments and additional leave if a child requires neo-natal care.
 - Our 'Smart Working' approach, which offers greater flexibility with options like staggered working hours and the ability to work remotely up to 40% of the time, enabling everyone to better manage both their work and personal commitments.
 - To help foster an inclusive culture, we have continued rolling out our 'Right to Respect' programme⁴ to our workforce, launched in 2023 to drive positive behaviours across our business and the wider construction and infrastructure industry. This initiative focuses on raising awareness about the importance of respect and addressing inappropriate behaviour. The programme is built around four key principles: valuing differences, understanding the impact of our actions on others, taking action when boundaries are crossed, and being open to feedback. Through a mix of awareness sessions, toolbox talks, and clear, visible communications, 'Right to Respect' helps our workforce recognise how words and actions affect those around them while equipping them with the confidence to handle challenging situations effectively.
- **Development:** When it comes to supporting people through their careers, we have focused on both attracting new talent and developing those already with us.
- We are passionate about our investment in early career opportunities, with around 400 new entrants joining in 2024, and we are excited about further growth in the future. We remain a proud member of The 5% Club⁵, a UK-wide initiative that encourages employers to create and provide opportunities for young people to earn and learn through apprenticeships, graduate schemes, and other training programmes. As part of this commitment, 7.4% of our UK workforce is in 'earn and learn' positions, helping to bridge the skills gap and offer valuable career pathways for young people. We were also pleased to be placed 46th in the Rate My Apprenticeship ranking.
- We continue to focus on leadership development with programmes which are designed to nurture and grow diverse talent. These include:
 - The Aspiring Leaders Programme is a formal training initiative designed to equip participants with the skills needed to become future business leaders. The programme includes modules on Authentic Leadership, Emotional Intelligence, and Organisational Effectiveness. 27% of participants in the programme have been female, reflecting our commitment to fostering diverse leadership talent.
 - Balfour Beatty's flagship talent intervention, the Future Leaders Programme, focuses on developing senior leaders by enhancing their skills in areas such as performance, values, and navigating complex challenges. 29% of the participants of this programme have been female, demonstrating our progress in promoting gender diversity at senior levels.
- **Succession planning:** We are seeing positive progress with our succession pools showing improved levels of diversity. In the UK, we are also measuring ourselves against the FTSE Women Leaders targets, and are proud that our Board is 40% female including a female in a Senior Independent Director role.

⁴<https://www.balfourbeatty.com/about-us/how-we-operate/diversity-and-inclusion/right-to-respect/>

⁵<https://www.5percentclub.org.uk/>

Conclusion

At Balfour Beatty, we know that real change takes time, but we are proud of the progress we are making. Reducing our UK gender pay gap by over 7% since 2017/18 shows we are moving in the right direction, but we also recognise there is still much more to do.

Building a diverse, inclusive workplace is not just about hitting targets - it is about creating an environment where everyone feels valued and supported to reach their full potential. The steps we have taken, from family-friendly policies to career development programmes, are making a difference, but this journey is ongoing, and we are committed to maintaining the momentum.



Littlebrook Substation, Kent

About Balfour Beatty

Balfour Beatty is the UK's largest infrastructure provider and one of the 40 strategic suppliers to the Government. Founded and headquartered in the UK, we are proud to be a British business with 13,000 employees working across the UK (26,000 employees worldwide, largely focused in the US and Hong Kong) on construction sites and in offices across the country.

We finance, develop, build, maintain and operate the increasingly complex and critical infrastructure that supports national economies and deliver projects at the heart of local communities - such as Hinkley Point C, Sizewell C, HS2 and supporting Rolls-Royce in the delivery of its Submarines site to facilitate the strategic requirements of the Ministry of Defence and the AUKUS programmes. Our Investments business also has a market-leading portfolio in the design, build, finance, maintenance and operation of infrastructure assets, with proven credentials in Public-Private Partnership and PFI schools and hospitals, and building and financing the M25.



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