



UK Gender Pay Report 2018

Inspiring change in our industry



Balfour Beatty

Ensuring a diverse, talented workforce

As a major UK employer, Balfour Beatty is committed to ensuring that it has a diverse, talented workforce. Our aim is to attract and retain the best people no matter what their gender or background. More than that, we strongly believe we need diversity of gender, experience, race, sexuality and background to be a high performing organisation.

While we acknowledge we have a gender pay gap, we also know why it exists and are implementing a robust plan to address those areas we as a company can change. Our priority is to improve the diversity of our workforce and specifically, to increase the number of women in the company at all levels.

In 2017, I met with a number of female colleagues from across Balfour Beatty to understand some of our organisational barriers. Their feedback has informed our action plan. These include a returnship programme, embedding unconscious bias training into management courses, benchmarking and improving our maternity policy, encouraging senior managers to develop and support high-potential women, and reviewing recruitment processes. Importantly, we are also specifically aiming to increase female numbers at all levels, in all parts of the business, especially in technical, operational and senior roles rather than simply aiming to increase the number of women in the business. This will be challenging, but I believe it is critical to changing the status quo.

Our efforts are already beginning to yield results. For example, in the last 12 months we have seen a welcome increase in the number of women joining each one of our UK business units—women we must now work hard to retain. In spite of these positive signs, there is still a long way to go.

However, Balfour Beatty is unfortunately reflective of the sector, which is male-dominated at all levels, but especially in senior roles. Beyond Balfour Beatty, there must therefore be a wider, collective effort to bring more women into the construction industry as a whole. To this end, we welcome the work the Government is doing via the education system to increase the number of young people—boys and girls—taking *Science, Technology, Engineering and Mathematics* (STEM) subjects; and the efforts the industry is making, under the auspices of the Construction Leadership Council, to change the sector's image and attract more women.

It is only by both addressing the sector's structural issues and making the improvements outlined in our plan that we will successfully increase the number of women in Balfour Beatty and the industry more broadly, and reduce the gender pay gap.

As Chief Executive, I am personally committed to making this a priority.

Leo Quinn

Group Chief Executive
Balfour Beatty



Introduction

According to the *Equality Act 2010 (Gender Pay Gap Information) Regulations 2017*, all UK organisations which employ over 250 employees are now required to report on their gender pay and bonus pay gap every year.

The gender pay gap shows the difference in the average pay between all men and women in an organisation regardless of their role or seniority. It is based on aggregate data and produces a high level picture, enabling us to compare Balfour Beatty with the rest of the industry and with the overall economy-wide average.

The gender pay gap is often confused with equal pay, however the two are not the same. Equal pay relates to the pay of the individual and the law requires that men and women who carry out the same jobs, similar jobs or work of equal value must not be paid differently because of their gender. While equal pay relates specifically to the pay practices of an individual organisation, gender pay as being reported on here, is impacted by a range of cultural, sectoral and educational issues external to the company. The aim of reporting gender pay in this way is to accelerate the closing of the gender pay gap across the whole economy by making the data transparent.

Balfour Beatty believes in the fair treatment and reward of all staff. We pay depending on the role and not based on gender. We have two UK employing entities, one employing 97% of our UK workforce and the other employing 3%. We are required to publish our gender pay gap for both of them. This main report contains the combined data for both UK employing entities and within the Appendix the data for each separate employing entity.



Male

Female

84% | 16%

Gender split of Balfour Beatty employees

Why we have a gender pay gap

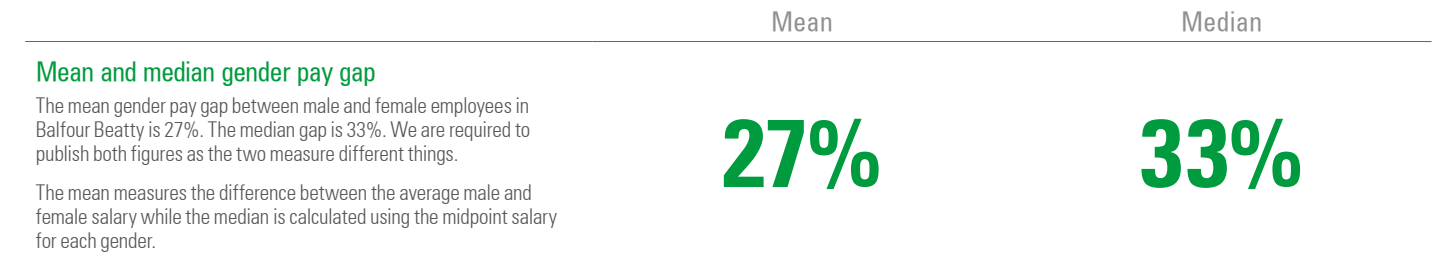
While our figures are broadly in line with the rest of the sector, the reasons behind Balfour Beatty's pay gap and that of the industry as a whole are complex.

It is widely acknowledged that the construction industry faces challenges in attracting women. While the industry has historically not made enough effort to attract, retain and promote women, the technical, engineering and physical skills required and the lower numbers of women studying the STEM subjects leading into those careers has also been an issue. In part, the lack of women in the sector also relates to perceptions, which still unfortunately exist, that the industry does not welcome or value women, resulting in many not considering construction as a possible career path.

The lack of women recruited into and remaining in the sector in past decades, and especially the failure to promote those women that have been working in the industry, means that there is a particular challenge in attracting women with the right skills and knowledge into senior roles. This also has the consequence that there are not enough women in senior positions to act as role models to other women.



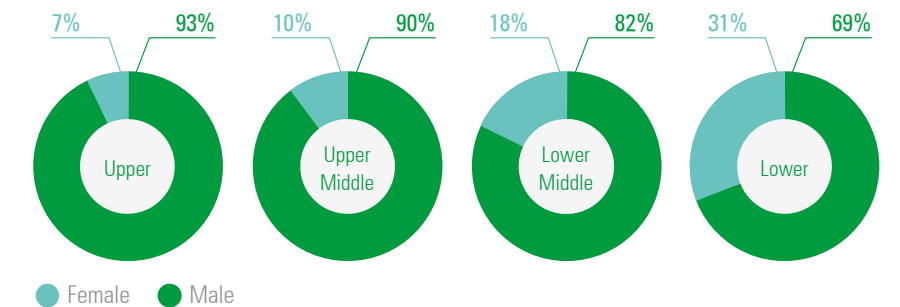
Balfour Beatty's gender pay data



Proportion of men and women in each quartile of the organisations pay structure

The chart opposite shows the distribution of gender across four equal quartiles of seniority by pay from the lowest 25% of earners to the highest 25% of earners.

In the lower quartile of the organisation that represents most junior and lowest paid roles there are 69% men and 31% women, in the upper quartile which contains the most senior and highest paid roles there are 93% men and 7% women.



Addressing our gender pay gap

Balfour Beatty is committed to playing its part in addressing the under-representation of women in the sector and in our business. We are working with the Government and with industry bodies to attract more women into the industry.



We are partnering with schools across the country to promote careers in construction and ultimately Balfour Beatty as an employer; and engaging with organisations such as STEMNET to create a network of STEM ambassadors to encourage children in schools to take up STEM subjects.

We have also put in place a robust plan to address the gender gap within Balfour Beatty. Reducing the gender gap is, we believe, the best and most sustainable way of addressing the gender pay gap. We published some of our thinking on this issue in our recent paper *Inspiring Change: Attracting Women into Construction*¹.

The action we are taking is informed by our *Gender Equality Network (GEN)* and is aimed at helping Balfour Beatty attract and retain talented women. The GEN helps us pro-actively raise awareness around gender diversity and to positively engage all employees in our organisation. Specifically, we are keen to not only increase the number of women at all levels, but to help and support them to develop and progress up the ladder.

Senior leadership engagement with this agenda is, in our view, imperative to achieving change, which is why we have executive level sponsorship and Chief Executive oversight.

In developing our wide-ranging plan, we engaged with key external expert organisations and benchmarked against best in class sectors.

Steps in the 3-year plan include:

- Unconscious bias training is being delivered to senior managers and individuals involved in recruitment decisions and embedded across our development programmes and into our Values and Behaviours to effect cultural change
- A Returners Programme has been implemented to create employment opportunities for those with career breaks
- We are reviewing and benchmarking our maternity policy to attract and retain female talent. Importantly, in our review, in addition to financial improvements we will also improve our practical support for maternity returners by upskilling managers and creating a buddy and peer network to support a smooth transition back to the workplace
- One of our values is “encourage constantly” and we believe all employees have a major role to play in the development of others – later this year we will launch a specific programme to ensure robust mentoring support is available for our female employees
- A reverse mentoring programme is being piloted, to ensure that the company’s leaders are made aware of and understand the needs and working experience of women and other under-represented groups.

In addition, we believe that a supportive culture is as important as these individual steps. We are therefore also taking steps to ensure we build an inclusive environment for female construction workers, working with expert organisations such as WISE, the campaign for gender balance in science, technology and engineering, to get guidance on how we can better improve our workplace culture.

Conclusion

Improving the diversity of the people we employ is important to Balfour Beatty. Our priority is to recruit and retain a talented and diverse workforce and to pay all our employees fairly for the work they do.

We recognise that it is not only right to ensure that people of all genders and backgrounds are able to access fulfilling careers in the construction industry; but that a business which fully reflects the society it serves will make us better placed to continue to deliver the most innovative infrastructure for our customers.

¹ <https://www.balfourbeatty.com/media/314522/balfour-beatty-inspiring-change.pdf>

Appendix: Statutory Reporting

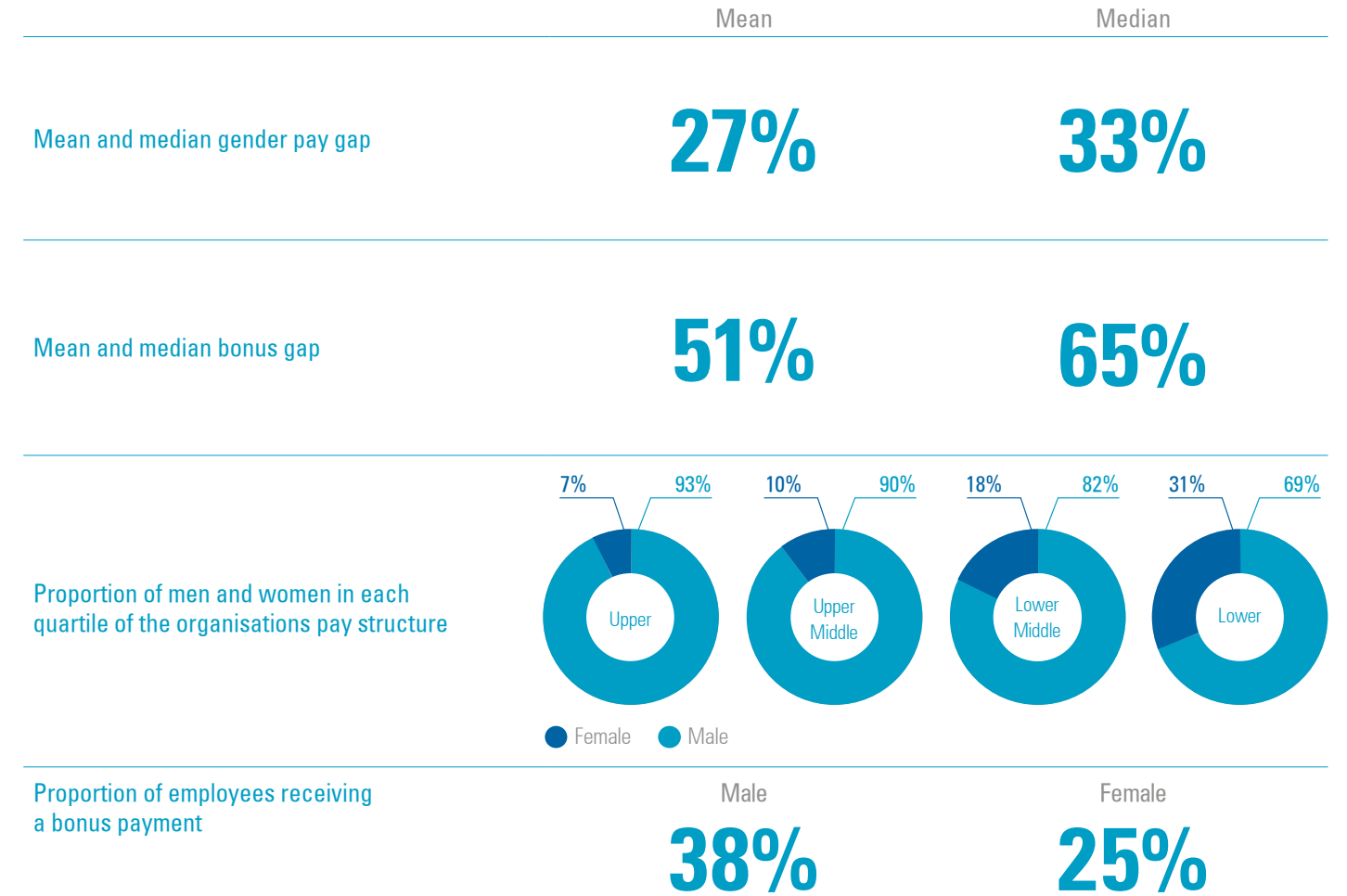


Declaration:

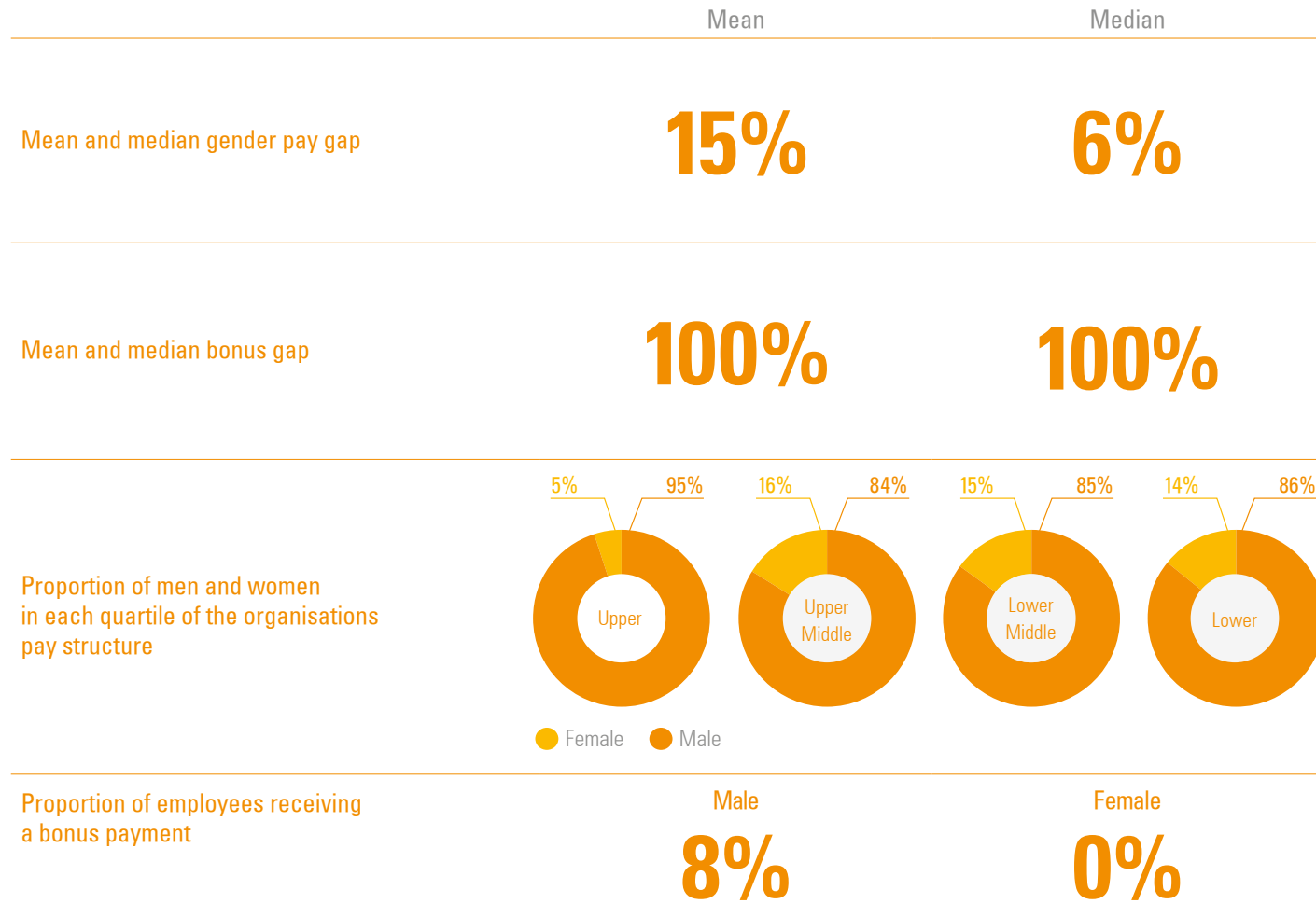
The data contained in this report is accurate and has been calculated in accordance with the requirements of the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

Paul Raby
Human Resources Director
Balfour Beatty

Balfour Beatty Group Employment Limited gender pay data



Balfour Beatty Living Places Limited gender pay data



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Paul Raby
Human Resources Director
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