



Gender Pay Report 2021



Foreword from the Chief Executive

Construction is all about people, which is why we put such a great focus on being a people-orientated, progressive and values-driven business. I believe that if we create a culture and working environment where everyone feels valued, included and motivated to give their best, we will succeed in our ambitions, and that begins with inclusivity.

Our industry has historically been male-dominated, which means not only do we have fewer females in our industry than in others, but also that those rising to senior positions are more often than not male. This results in gender pay and bonus gaps, so I am pleased to say that the tide is starting to turn and we are seeing more female representation across our business compared to last year (666 females and 2,180 males; 23% compared to 22%). Our mean gender pay gap has reduced to an all-time low of 28.8% since reporting began and we also have a slightly higher percentage of females in our upper pay quartiles.

Additionally, the gender pay gap in our early careers population is showing a positive trend in favour of females. This is a great step, because early careers is where we can make a step change

in terms of the gender pay gap across our business and industry. You can read about this in the 'Closing the gap' section. Our starting point is to promote the different opportunities available in construction to a wide range of people showing them the fantastic career paths possible. We then provide them with rewarding careers and a great culture where individuals are motivated to stay and develop their careers.

While we have good news to report, we know much more work needs to be done in terms of understanding the barriers to women and other underrepresented groups in our industry, and then tackling those effectively. Our data reassures us that we are moving in the right direction and I look forward to this being reflected in our reporting in future years.



A handwritten signature in black ink, appearing to read "Bill".

**Bill Hocking,
Chief Executive.**

Equal pay

Equal pay is when men and women are paid the same for the same work.



The gender pay gap

This is the difference between the gross hourly earnings for all men and the gross hourly earnings for all women.

Nationally, one of the main reasons for the gender pay gap is men are more likely to be in senior roles.



Reporting explained

From April 2018, companies have been required to disclose a number of specific gender pay and bonus comparisons on an annual basis. This report provides our data as at 5 April 2020. As our data for the previously reported year included information from our demerged housebuilding businesses, we have excluded the demerged entities from our prior year comparators to provide a clearer picture of progress as the company we are today.

What is the gender pay gap?

The gender pay gap is the difference in average pay between men and women regardless of their role. This means that if a significant proportion of senior, higher paid roles were carried out by males, there would be a significant pay gap.

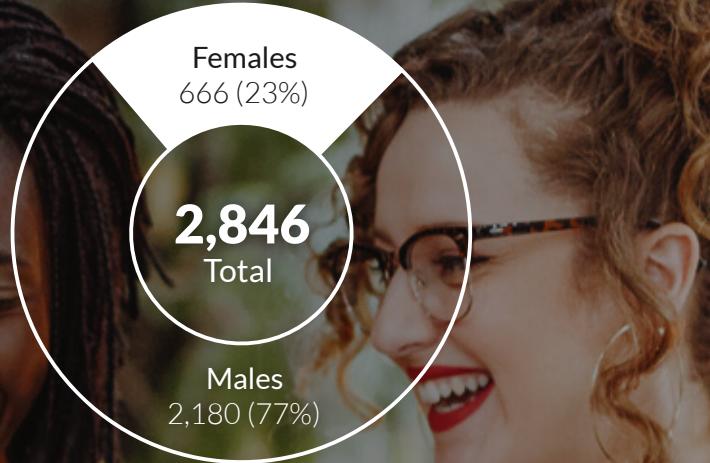
A gender pay gap is different from equal pay which is the pay difference between men and women who carry out the same job.

Our gender pay report

All Group

In the reported year, we have slightly increased the proportion of females across our business, which now stands at 23% compared with 22% the previous year.

Compared to 755 (22%) and 2,610 (78%) in 2018/19.



Early careers

Early careers are the focus of many of our recruitment activities, as they allow us to grow our own talent. This measure, therefore, provides a good indicator of the direction we are taking at entry level in terms of the people we are bringing into our business and any potential associated gaps in pay.

Our mean and median gender pay gaps are negative as they have both continued to show a trend in favour of female populations. This can be attributed to the fact that we have more females in our graduate programmes than in our apprentice and trainee schemes and that the graduate schemes tend to have higher initial salaries.

Early careers gender pay gap - mean

-12.4%

(2018/19: -6.10%)

Early careers gender pay gap - median

-10.8%

(2018/19: -8.60%)

Pay and bonus

Our mean gender pay gap has reduced to an all-time low of 28.8% since reporting began. The slight increase in the median gender pay gap reflects the change in our headcount in 2019 which predominantly affected our lower pay quartiles. This in turn made an impact on the median pay for females, where there is less representation in the upper pay quartiles.

It is also encouraging that both our mean and median gender bonus gaps have reduced in the year.

Gender pay gap - mean

28.8%

(2018/19: 30.8%)

Gender pay gap - median

32.2%

(2018/19: 31.0%)

Gender bonus gap - mean

65.5%

(2018/19: 70.5%)

Gender bonus gap - median

44.9%

(2018/19: 51.9%)

Females awarded a bonus

37.1%

(2018/19: 82.9%)

Females not awarded a bonus

62.9%

(2018/19: 17.1%)

Males awarded a bonus

43.3%

(2018/19: 78.3%)

Males not awarded a bonus

56.7%

(2018/19: 21.7%)



Upper

8.10%   **91.9%**

(2018/19: 7.60%) (2018/19: 92.4%)

Upper mid

17.6%   **82.4%**

(2018/19: 17.0%) (2018/19: 83.0%)

Lower mid

34.1%   **65.9%**

(2018/19: 34.1%) (2018/19: 65.9%)

Lower

33.8%   **66.2%**

(2018/19: 31.4%) (2018/19: 68.6%)

Gender pay quartiles

Our pay quartiles show the proportion of female and male employees according to four pay bands. The bands are defined by ranking all our employees from the highest to the lowest paid, then divided into four equal parts to show the percentage of males and females in each of the quartiles.

We have increased slightly the proportion of females in the upper and upper mid pay quartiles.

Closing our gap

Early careers



We believe that facilitating early talent diversity is a great way not only to bring diversity of thought, approaches and innovation across the business but also allows us to tackle the skills shortage in our industry. Early careers are therefore the focus of many of our recruitment activities, allowing us to grow our own talent. We do this by taking part in school and college engagement to promote our industry to those in education and we invite school and college students to our sites to give insights into what construction is all about. We also promote the role of STEM (Science, Technology, Engineering and Mathematics) by reaching out to local communities and highlighting the many opportunities available within construction to inspire the next generation of new entrants.

Inclusive recruitment



Increasing the representation of women across our business is a key way in which we can close the gender pay gap.

We are an equal opportunities employer and enjoy, promote and value a diverse workforce, operating an inclusive environment where everyone has an equal opportunity to achieve their potential. Last year, we took the additional step of reviewing all our recruitment policies from a diversity perspective to ensure that we promote our inclusive nature and ensure we word job vacancies using language that does not imply that we are looking for a candidate from a particular background. We also publish our family-friendly policies on our website to enable greater transparency as a potential employer and through recruitment.

We ensure that all policies, processes and procedures are reviewed annually to ensure fairness and equity in all things that impact on our people.



Agile working

Our Agile Working programme, supported by our investment in technology, has empowered our employees with flexibility in when, where and how they work, since long before the Covid-19 pandemic. In addition to remote working, we take advantage of arrangements such as job shares, compressed hours, sabbaticals and return to work programmes to suit individual needs while meeting the requirements of the business. Adopting this flexibility helps us to create a more inclusive culture and improves our ability to attract and retain the right people from more diverse talent pools. It reinforces that we support those with commitments outside of work and puts the focus on outputs and delivery.



Retention

Training for all

Training can play a key role in preventing discrimination including gender, ethnic, disability based discrimination. Our highly interactive e-learning courses provide employees with practical, engaging scenarios about inclusion and diversity in real-life situations and test their knowledge through quiz-style questions. Course completion is mandatory for new starters, as part of our induction process, meaning our teams have clarity on where we stand as a business from day one. Refresher modules mean the message is reinforced. The importance and benefits of inclusivity are also reinforced in our corporate inductions and Code of Conduct - *Doing the right thing*.



Employee engagement

Employee Engagement Group

We established an Employee Engagement Group to strengthen the voice of our employees at Board level and throughout the Group. Through this group, the Board assesses and monitors the company's culture and ensures that the views of employees are taken into account. Themes such as inclusivity across our business are often discussed.

Further work on inclusion

Disability Confident Employer

We are accredited as a Disability Confident Employer - a Government initiative to challenge attitudes towards disability, remove barriers to disabled people and those with long-term health conditions in employment, and ensure that disabled people have the opportunities to fulfil their potential and realise their aspirations.

National Association for Women in Construction

We actively support the NAWIC's objective to encourage individuals to pursue, establish and sustain successful careers in the construction industry through our presence at their events, sharing best practice from our organisation and promoting opportunities in our business.

5% Club

The 5% Club has a mission to support economic growth, encourage diversity and inclusion, increase social mobility and – ultimately – alleviate poverty by creating 'earn and learn' pathways. As a signed member of the Club, we are committed to having 5% of our workforce in these positions, namely trainees, apprentices and graduates, and 8% of our workforce is in this group.

STEM Ambassadors

We promote the role of STEM (Science, Technology, Engineering and Mathematics) ambassadors by reaching out to local communities and highlighting the many opportunities available within construction to inspire the next generation of new entrants. Our STEM Ambassadors enhance and enrich the teaching and learning of STEM subjects by sharing their own interest, skills and experience in STEM.

Armed Forces Corporate Covenant

We have pledged our commitment to The Armed Forces Corporate Covenant. We seek to support the employment of reservists and veterans; working in partnership with providers such as the Career Transition Partnership to ensure opportunities are visible by accommodating reservists' training and by endeavouring to offer flexibility in granting leave to service spouses and partners.

Leadership & Diversity Group, Scotland

We are a member of this group comprising a wide range of national and international companies which focus on best practice through collaboration in terms of the equality, diversity and inclusion agenda. We are able to shape dialogue through our position on the group's steering committee.

Supplier Diversity Group – Working Party Member – Highways England

We are a member of the working party which is a group focused on improving inclusive behaviour, sharing learning and adopting best practice.



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