



# Gender Pay Gap report 2020

March 2021

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**Balfour Beatty**

# Foreword

Over the past six years, as part of our Build to Last transformation programme, Balfour Beatty has made improving diversity and inclusion a priority across our international business. I am pleased that, as we continue to deliver the targeted measures in our UK Diversity and Inclusion (D&I) Action Plan<sup>1</sup>, our gender pay gap is closing. In 2017/2018, the first year we reported it, our mean pay gap between male and female employees was 27%. The median gap was 33%. This year, our mean gender pay gap is 15%, while the median is 18%. The gap is still too wide. There remains a lot to be done. But we are heading in the right direction.

The duty to report on the gender pay gap has shone a light on the lack of women in senior positions across the construction and infrastructure sector. This is crucial to understanding Balfour Beatty's own gender pay gap, which largely stems from the fact that we have traditionally struggled to recruit as many women as men into operational roles. These are the roles which attract a pay premium in the market and can lead to promotions to positions which hold the greatest bonus opportunities. That's why increasing female representation in senior leadership roles by hiring and proactively supporting our future leaders is and will remain a key focus for us. This includes taking a systematic approach to sustainably addressing all of the underlying causes for the imbalance: from tackling hidden biases and challenging lingering bad behaviours, to strengthening the talent pipeline of women at apprentice and graduate level and supporting them as they progress through the business and up the ladder. That's why it's particularly positive that, while 20% of our new hires overall in the last 12 months were female, this figure increased to 27% amongst our graduate and apprentice recruits.

But it will take more than measures and targets, as important as these are. We have to go right to the heart of the issue by making sure we create an environment that supports and empowers women over the long-term. This calls for cultural change – across our business and across the industry more widely, which is why we have brought in compulsory D&I training for all employees this year. As I have said in previous years, we are on a journey as a business to develop a truly inclusive culture. We want to make sure that everyone feels they have a place at Balfour Beatty – and that they feel valued, supported and respected. An important step on this journey, 2020 saw Balfour Beatty refresh its Cultural Framework<sup>2</sup>, the document which distils the purpose, values and behaviours of our business. One of the critical changes we made was to include 'value everyone' as one of our new behaviours, reflecting the importance we place on different perspectives, new ideas and on giving everyone a voice. I hope this change shows that we mean business when we say we want to improve the diversity of our workforce at all levels.

I was really encouraged by the results of our October 2020 Engagement Survey, which saw responses from almost 9,000 employees across the UK and Ireland. This showed positive outcomes across the board in all of the D&I metrics, including 79% of colleagues who said that Balfour Beatty's culture is inclusive to all people regardless of difference; and 84% who feel comfortable that they can be themselves at work and will be accepted. This is a real endorsement of the huge effort we've put into improving D&I. It's particularly heartening given the huge challenges we've faced in the past year, with so much bandwidth dedicated to dealing with COVID-19. We could have put this on the backburner and seen our progress slow – but we chose not to. This

is too important to us. That's why we reported our 2019/2020 data despite the fact that the Government said we didn't have to due to the global pandemic. We wanted to maintain the momentum we've built up and to be transparent about what we're doing. Measuring and reporting on progress is key to driving change.

Over the long-term, COVID-19 may actually help drive further improvement in our ability to attract and retain a wider diversity of talented people to our business, as we outline in this report. We have learnt a great deal about inclusion from the new work patterns and styles we have embraced during the lockdowns. We are determined to keep - and build on - these approaches to nurture an inclusive culture, as we explain in more detail below.

We should be buoyed up by the fact that our hard work is beginning to pay off. But we must also maintain our resolve to continue the progress we are making. We are committed to building a workforce that is reflective of the society we operate in. And we are taking decisive action to make that a reality.



**Leo Quinn**  
Group Chief Executive  
Balfour Beatty

## Gender Pay Regulations

According to the Gender Pay Gap Regulations<sup>3</sup>, all organisations employing over 250 employees have been legally required to report annually on their gender pay gap, since April 2017. The gender pay gap provides a snapshot of the gender balance within an organisation. It measures the difference between the average earnings of all male and female employees, regardless of their role or seniority. The Equality and Human Rights Commission (EHRC) are responsible for enforcing the Gender Pay Gap Regulations.

The information submitted is published on a searchable Government website<sup>4</sup> to provide economy-wide transparency and comparability, with the ultimate aim of driving improvement and supporting the measuring of progress.

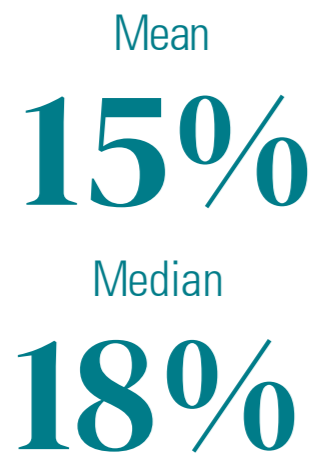
Balfour Beatty's 2020/2021 gender pay gap report follows the guidance from the Government's Equalities Office with regard to employees who were on Furlough leave at the snapshot date.

The snapshot date for the reported data fell at the early stages of the company's response to the COVID-19 pandemic. This resulted in changes to the employee population included in the calculation and a reduced earnings level for a proportion of our workforce for the snapshot pay period when compared to normal conditions. In line with the guidance from the Government's Equalities Office, employees who were on Furlough leave and who experienced a reduction in earnings were removed from the gender pay gap calculation. However, our high-level analysis of those Furloughed at this time shows that the proportion of male and female employees on Furlough leave were broadly aligned to gender mix of the overall workforce, with similar average salary levels. It should therefore have had little impact on the reported gender pay gap.

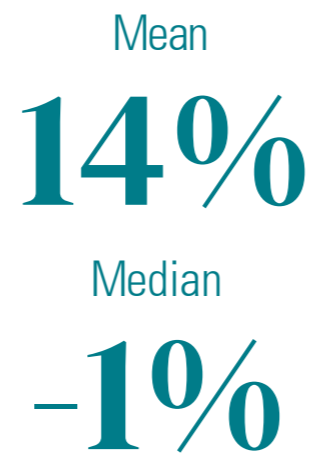
As a result of operational restrictions, allowances paid to employees working on project sites were temporarily stopped during the period, reducing their earnings and bringing them closer to their base pay levels. Due to the gender profile of employees undertaking these roles, this affected more male employees than females and is likely to have contributed to the reduction in our gender pay gap reported when compared to prior year. We may therefore see a small increase in our gender pay gap as things gradually return to normal.

# Balfour Beatty Group Employment Limited gender pay data

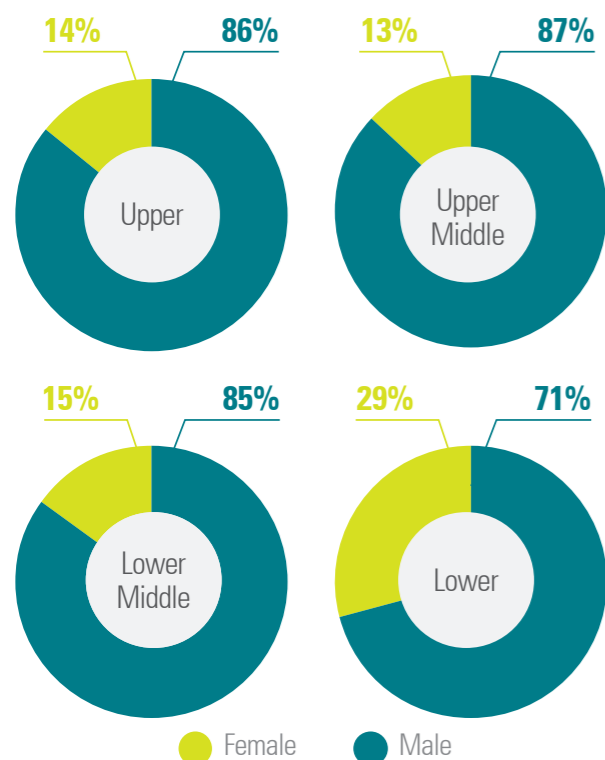
## Mean and median gender pay gap



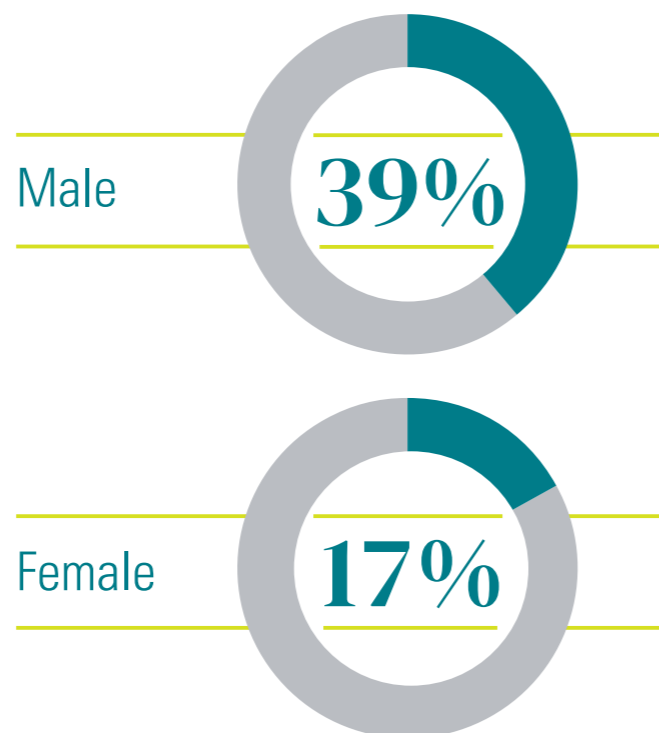
## Mean and median gender bonus gap



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



## Proportion of employees receiving a bonus payment



## Defining the terminology

### Median pay gap

The median pay gap is the difference in pay between the middle-ranking woman and the middle-ranking man. If you place all the men and women working at a company into two lines in order of salary, the median pay gap will be the difference in salary between the woman in the middle of her line and the man in the middle of his.

### Mean pay gap

The mean pay gap is the difference between a company's total wage spend-per-woman and its total spend-per-man.

The number is calculated by taking the total wage bill for each and dividing it by the number of men and women employed by the organisation.

### Pay gap v equal pay

The gender pay gap and equal pay are often confused as being the same problem.

The gender pay gap is different to equal pay, which is the legal requirement that men and women are paid equally for doing the same job under the Equality Act 2010. Balfour Beatty pays males and females the same amount for doing the same work.

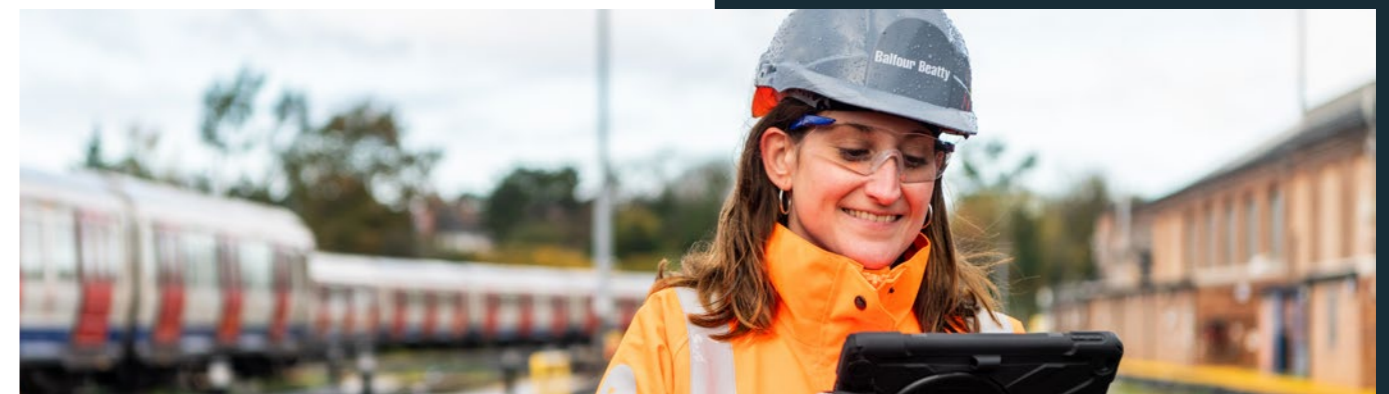
A company's gender pay gap reflects other issues, for example fewer women in senior or highly-paid roles or more women in part-time jobs.

## Green shoots of success

Beyond the good news about the reduction of our gender pay gap, there are also positive signs in other areas. For example, the proportion of hires into senior roles has gone up from 20% female in 2019 to 32% in 2020. In 2020 we appointed a second female Executive Committee member which is important for balance and ensuring a range of perspectives, but also for role modelling and encouraging female colleagues to aim high.

While 20% of our new hires overall in the last 12 months were female, this figure increased to 27% amongst our graduate and apprentice recruits.

We are hopeful that these figures show that we are turning a corner in sustainably increasing the balance of male / female staff at all levels across the business and reducing our gender pay gap as a consequence.



Ealing Common track renewal



# Maintaining an active investment in female talent and an inclusive culture

In 2019/2020, we continued to actively support the development and progression of our female employees. For example:

- > Our talent development programmes went from strength-to-strength as we continue to invest in employees at different levels of their career:
  - > In spite of the COVID-19 pandemic, 87 female employees completed our “Empower” programme, which provides female employees with a unique opportunity to explore their career goals and take action to succeed and progress. Since 2016, over 300 women have completed the programme, and 42% of delegates have seen a subsequent move or promotion.
  - > Our flagship “Future Leaders” programme, aimed at supporting the advancement of colleagues who are already in a senior role has seen a 33% female participation since 2016. We are delighted that our next cohort, kicking off this year, is very nearly gender balanced. This is a very successful programme: 55% of delegates have seen promotion since participating in the programme.
  - > The “Aspiring Leaders” programme, which aims to accelerate the progress of talented employees lower in the organisation runs at 26% female participation overall, with our 2020 programmes running at 31%. These programmes have supported a 23% promotion rate across all delegates.
- > In order to build a deeper understanding about D&I and to increase awareness of the barriers under-represented groups face, we launched a very successful UK Executive Committee Reverse Mentoring programme in 2019 (see separate box on this programme). This has now concluded and a further round of the programme will begin in 2021 with new mentor / mentee relationships.
- > In 2020 we launched our “Value Everyone” e-learning module. All of our employees are being actively encouraged to complete this because we want to better equip them with the awareness and knowledge about how to continue to improve D&I within the business.
- > Over 150 of our Senior Leaders have now completed our “Leading Inclusively” development programme, which equips senior leaders with the skills needed to embed an inclusive culture within their teams. Each Senior Leadership team commits to a charter to drive change as part of this development experience.
- > Building on the success of our first “Inspiring Women” conference, we held a further conference which focussed on sharing experiences of the barriers our female colleagues have faced in a traditionally male-dominated industry and developing and implementing tangible actions to instil inclusive practices. Out of this flowed four, solutions-focussed “Inspiring Women Projects”: on site culture; inspiring women; flexible working on site; and improving experience of parental leave.
- > We have commissioned an external audit of our recruitment process to understand and address any barriers for underrepresented groups, which will report in the coming months and drive improvement where required.
- > We are nurturing a passionate network of D&I Ambassadors across the business, to support an inclusive culture locally where they work. In 2020 we provided development support to more than 160 employees to build empowerment and ability to take action, and will train more in 2021.

Further plans are in place to ensure we maintain our positive trajectory. We will also roll out Inclusive Hiring training and are implementing a plan to improve the use of inclusive language in job adverts.

We will maintain an unswerving focus on actions that we believe will have a long term, sustainable impact.

## Case Study

### Aspiring Leaders Programme



**Lisa Foster**  
**Head of Site Mobilisation,**  
**Balfour Beatty**

I started working at Balfour Beatty 14 years ago as an administrator. Since then, I’ve worked my way up to the role I’m doing now, managing a team of people and the Site Mobilisation Hub, which is about ensuring a standard, best practice approach to how Balfour Beatty approaches site setup and exit.

When I was nominated to go on the Aspiring Leaders Programme, I saw it as a great opportunity. The engagement from senior people across the business helped set the scene and show the level of senior buy-in the Programme had.

I think the key thing the Programme has given me is a level of confidence I didn’t have before. I was the oldest in the group and I don’t come from a degree background, while a lot of the people I work with do. The Programme helped me to get over my ‘Imposter Syndrome’ by showing me different ways of working and helping me to understand my strengths and improve my areas of weakness. I also found the focus on emotional intelligence really interesting.

Overall, I would say that the Programme gave me a new energy and changed the way I work with and support my team. I have put someone forward for the Programme myself and would recommend it to anyone.

## Case Study

## Future Leaders Programme



**Kari Sprostranova**  
Group Sustainability Director,  
Balfour Beatty

I was put forward for the course by my manager as part of a journey to prepare me for a move into more senior positions. I've been on a lot of courses in the past, but the Future Leaders Programme was quite special.

I had worried that the course would be focused around a pre-determined idea of what a 'leader' looked like, but the programme actually focused on each person as an individual, and how they can make best use of their skills and character traits to lead effectively. The course took a holistic approach to leadership, including elements such as emotional intelligence, resilience and how to have difficult conversations. It really brought home to me that there isn't only one way to lead – everyone is a different type of leader – but that it's about leading by example, showing empathy, supporting your colleagues. Everyone brings something different to the table. We all have different styles.

I always love meeting new people, and the opportunity to get to know the rest of my cohort was brilliant, but the part of the course that really stretched me and that I found most rewarding was the final exercise. We were challenged to put our leadership skills into practice working with a charity which supported people with mental and physical disabilities.

We spoke to people who told us they wanted some help improving their ability to go out, restoring some of their independence. So, we looked at ways to make train journeys more accessible to them.

One way we tried to do this was by making them feel more confident, for example, using technology to organise a station fly-through which helped them plan their trip and feel confident and empowered to make it. It was a really valuable to have the opportunity to put into practice some of the skills I'd developed throughout the course.

I would thoroughly recommend the course to others looking to further their leadership skills.

## Our response to COVID-19

The economic shock caused by COVID-19 has dealt a blow to the construction and infrastructure industry, as it has to many sectors across the economy. Although most of the impact of the measures we implemented in response to the COVID-19 pandemic will be reflected in the next gender pay reporting period, Balfour Beatty took a well-thought out approach to handling the economic burden of the first lockdown, with a focus on supporting our workforce and preserving capability. The steps we took did not disproportionately impact any gender, but were applied universally and consistently. For example, the c.3,000 of our workforce who were Furloughed to protect jobs and maintain vital capabilities and expertise while projects were suspended, were chosen dependent on their workload during the lockdown.

However, as the country was placed under a national lockdown, many Allowances, for example, those relating to travel and subsistence, were temporarily stopped; the lockdown also impacted other variable elements of earnings, such as a significant reduction in overtime. This reduced earnings for those affected more in line with basic hourly rates during the snapshot pay periods. These factors typically impact male earnings more than female, which is likely to have contributed to the reduction in gender pay gap in this year's reporting. This means that we may see a small bounce back up in the data in our next report as productivity across sites returns to normal levels.

Beyond the short-term measures we took in response to the first lockdown, Balfour Beatty was also determined to use the enforced period of reflection to look at what we could do better in the future.

In April, our Executive Team mobilised a 'New Normal Taskforce' to make sure Balfour Beatty was in a strong position to rebound from the COVID-19 lockdown. The group, made up of experts from across the business, was charged with generating impactful, deliverable ideas for how our business could use the lockdown as a catalyst for new ways of thinking, operating and driving improvement, at scale.

As a direct input to the Taskforce, we ran a My Contribution campaign called 'Bouncing Back'. My Contribution is the channel which allows us to tap into a rich seam of creative thinking from our whole workforce, crowdsourcing ideas to drive change and bring benefit to the business, our

employees, partners and our customers. One of the key themes to come out of the 550 ideas generated by our workforce was 'A Great Place to Work'<sup>5</sup>.

Balfour Beatty is already a great place to work. But, during the COVID-19 lockdown, we adapted and innovated, at pace, in a number of different ways, including how we work. As with businesses across the globe, many of our workforce have been working from home, giving them the ability to flex their working patterns around other responsibilities. Rather than simply rolling out a standard 'work from home' policy, we wanted to be bolder and go further than that. We also know that many of the roles in our business do not easily allow home-working. So, we have taken this chance to look at what else we can do to use innovative ways of working to give our workforce more control over their own schedules and balance the different demands on their time. And we have looked at how to make the solutions broad enough that they help us to improve diversity and the wellbeing of our staff, attracting the best talent while helping us as a business play our part in reducing air pollution and CO<sub>2</sub> emissions and rush-hour traffic.

One of the key elements of the Great Place to Work package includes smart-working, which will be rolled out fully once the COVID-19 pandemic has abated and work returns to normal. As part of this, we will do all we can to accommodate requests to work remotely, flexibly and change working patterns. We will also increase the amount of annual leave staff can buy back to allow them to balance work with other commitments or travel; and reduce business travel and overnight stays, supported by smarter-working together through the ongoing use of virtual meetings via Microsoft Teams.

This package is not specifically about supporting females: it is about providing a more flexible approach for all of our employees and helping them all to achieve a better work-life balance and improve their wellbeing. But the Government's Equalities Office has identified that widening access to, and successful implementation of, flexible working arrangements is key particularly to attracting and retaining females and improving gender equality.

We will announce the full detail supporting our new approach once the pandemic has finally abated and will also reflect on them in the narrative accompanying next year's gender pay report.

# The Executive Committee Reverse Mentoring programme

In 2019, Balfour Beatty launched a Reverse Mentoring Programme between our UK Executive Committee and employees from under-represented groups, including women, but also people from a range of ethnic backgrounds, LGBT+ colleagues and employees with ability impairments.

At their most effective, mentoring programmes are a two-way, mutual, relationship that develops through a number of conversations; in our programme the traditional mentor roles were flipped, with the Executive Committee member as the mentee; learning from and exploring perspectives with their employee mentor.

The aim of the programme is to build understanding about the barriers faced by, and experiences of, people from different backgrounds. We now have Reverse Mentoring programmes running in each of our Business Units.

By the time the conversations complete, each participant should take away some valuable insights and have developed a fresh perspective. The feedback from the programmes has been positive, with most agreeing that it has been an important, enriching experience (see case study).



Crossrail Abbey Wood Station

## Case Study

### Reverse Mentoring programme in action



**Nota Nikolakopoulou CEng MICE**  
**Senior Package Manager, Hinkley Point C, Marine Works,**  
**Balfour Beatty**

I was part of the pilot Reverse Mentoring programme that started back in 2017. I remember that a newsletter came to our inbox about this new exciting opportunity to participate and offer a different view inside the life of women in construction and so I put my name forward. I saw it as a chance to raise awareness of all the things that were not quite right in everyday life on a construction site. I saw it as a way to open up and share some of my experiences, in a safe environment, with someone that could do actually something about it.

I don't know what I expected, but I was positively surprised by the genuine interest of my mentee and the determination to do better and change Balfour Beatty. When we started, there were still a lot of people believing that this was just a lip service. I know that this isn't true.

In sharing stories about colleagues, my priority was always to try to convey the wrong in a situation and not to vilify the person that the story was about. I care about raising awareness and making a positive change. We have to give people a fair chance to correct some of these ingrained behaviours.

By being part of the programme, I feel that I've made a contribution to Balfour Beatty's culture change. I've been part of moving us to a new era where we support all employees to flourish. I don't think our work is finished, but we are moving in the right direction.



## Case Study

## Aspiring Leaders Programme



**Lai Choong**  
Commercial Manager, Regional Projects,  
Balfour Beatty

I was nominated by senior managers in our London business to participate in the Aspiring Leaders Programme as part of my development. Before the programme, to be honest, I wasn't sure what to expect. I think the key things it did was to widen my exposure within the business and give me the space to explore and develop my leadership capabilities. In particular, hearing from senior leaders across the business how they got to where they are now made me realise that they have all had very different routes to the top and that there is no set pathway in career progression.

The interactive role plays which explored teamwork, leadership and communication skills were really useful and have helped me develop my own personal skills and style. But the most memorable and challenging one, for me, was the Communicating with Impact workshop. We had to give a presentation which was recorded and replayed to us. We were taken through the replay with feedback covering our strengths and the areas we needed to work on. It wasn't exactly enjoyable, but it was very effective and has proven to be really useful since.

I would certainly recommend this programme for anyone who wishes to progress further in their career.

## Changing outdated perceptions of the industry

To play our part in changing the perception of the construction and infrastructure industry from being male-dominated and old-fashioned and to ensure Balfour Beatty is providing a platform for inspiring women within the business, our Communications Team has also, since January 2020, been formally measuring and reporting the gender balance of our corporate communications in conjunction with the BBC's 50:50 campaign. This encourages partner organisations to measure and report gender balance on key communications channels, establishing a baseline and a target for achieving gender balance.

For Balfour Beatty, the channels we have been measuring include areas such as press release quotes, social media, videos and images in thought pieces, on the website and in newsletters and blogs. In January, the split across the channels we measure was 26% female and 74% male.

Our initial target was to reach gender balance within six months. Although, due to COVID-19 and the number of communications put out by senior leaders (mostly male), the figures have fluctuated more than anticipated, in March and June we achieved a split of 45% female and 55% male. Balfour Beatty is the first – and only – construction and infrastructure company to be involved in this initiative.

We also ensure we are profiling our female role models in a number of other ways, for example, profiling and celebrating ten of our inspiring women for International Women's Day 2020<sup>6</sup>, exploring the diverse range of opportunities available within the construction and infrastructure industry.



Audley Cooper Hill



# About Balfour Beatty

Balfour Beatty is a leading international infrastructure group - founded and headquartered in the UK. We are proud to be a British business with 12,500 employees – and many more through our extensive supply chain - working on construction sites, contracts and in offices across the UK. The largest construction contractor in the UK, Balfour Beatty finances, develops, delivers and maintains the increasingly complex infrastructure that supports the British economy and projects at the heart of local communities.

Outside the UK, our main geographies are the US and Hong Kong, where we have a further 12,000 employees.

Our projects span transportation, power and utility systems, social and commercial buildings, using cutting-edge skills and pioneering technologies to create inspiring infrastructure - driving growth and employment. Over the last 110 years we have created iconic buildings and infrastructure all over the world including the London Olympics' Aquatic Centre, Hong Kong's first Zero Carbon building, the National Museum of the Marine Corps in the US and the Channel Tunnel Rail Link.

Balfour Beatty is committed to creating an environment where all our employees can be themselves at work and perform at their best. With a number of major infrastructure projects in the pipeline, Balfour Beatty aims to meet current and future skills demand by attracting and retaining the best available talent and is committed to removing the barriers to minority groups across the industry to widen the talent pool. As an employer of choice, we want to hire all talent, which includes people of all genders, ethnicities and social backgrounds, to ensure we reflect the society in which we operate.

Leo Quinn, Balfour Beatty's Group Chief Executive, is the board level sponsor for diversity and inclusion. Leo has established a Steering Committee to govern strategic diversity and inclusion activities and track progress against the three-year plan.

Balfour Beatty's three-year UK Diversity and Inclusion Action Plan focuses on Communication, Culture, Creating Opportunities, Communities/Supply Chain and Governance and has been cascaded into local business plans with bespoke targets, helping to build a strong culture of fairness, inclusion and respect across the organisation.

Balfour Beatty is committed to equal opportunity having launched its employee led Affinity Networks<sup>7</sup> in 2016. The four networks – LGBT+, Multi-Cultural, Ability and Gender Equality provide a platform for underrepresented employee groups to bring their unique perspective to the development of Balfour Beatty's working culture and create a fair and inclusive workplace. Our networks have been hugely valuable in helping us understand the barriers some groups face in progressing in the organisation and in raising these issues and ideas to help address them more quickly.



M4 project



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