

## GENDER PAY GAP REPORT 2017

HOCHTIEF (UK) Construction Limited is required by law to publish an annual gender pay gap report.

This is our report for the snapshot date of 5 April 2017.

- The mean gender pay gap is 23.1%.
- The median gender pay gap is 36.6%.
- The mean gender bonus gap is 26.6%.
- The median gender bonus gap is 0.0% (see explanation below)
- The proportion of male employees in HOCHTIEF receiving a bonus is 17% and the proportion of female employees receiving a bonus is 1.67%.

### Pay quartiles by gender

Band	Males	Females	Description
A	58%	42%	Includes all employees whose standard hourly rate places them at or below the lower quartile
B	78%	22%	Includes all employees whose standard hourly rate places them above the lower quartile but at or below the median
C	90%	10%	Includes all employees whose standard hourly rate places them above the median but at or below the upper quartile
D	93%	7%	Includes all employees whose standard hourly rate places them above the upper quartile

The figures set out above have been calculated using the standard methodologies used in the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

### Understanding HOCHTIEF's gender pay gap

Gender Pay reporting is not an equal pay audit however HOCHTIEF understand and comply with our obligations under the law, where men and women must receive equal pay for:

- the same or broadly similar work;
- work rated as equivalent under a job evaluation scheme; or
- work of equal value.

HOCHTIEF is committed to the principle of equal opportunities and equal treatment for all employees, regardless of sex, race, religion or belief, age, marriage or civil partnership, pregnancy/maternity, sexual orientation, gender reassignment or disability. It has a clear policy

of paying employees equally for the same or equivalent work, regardless of their sex (or any other characteristic set out above). As such, it:

- carries out pay and benefits audits at regular intervals; and
- evaluates job roles and pay grades as necessary to ensure a fair structure.

We are therefore confident that our gender pay gap does not stem from paying men and women differently for the same or equivalent work. Rather our gender pay gap is the result of the roles in which men and women work within the organisation and the salaries that these roles attract.

Across the UK economy as a whole, it is the case that men are more likely than women to be in senior roles (especially very senior roles at the top of organisations), while women are more likely than men to be in front-line roles at the lower end of the organisation. In addition, men are more likely to be in technical roles, which attract higher rates of pay than other roles at similar levels of seniority. Women are also more likely than men to have had breaks from work that have affected their career progression, for example to bring up children. They are also more likely to work part time, and many of the jobs that are available across the UK on a part-time basis are relatively low paid.

This pattern from the UK economy as a whole is reflected to some degree in the make-up of HOCHTIEF's workforce. As a business that manages projects to deliver major rail and highways infrastructure solutions for a range of clients, approximately 60% of our employees are professional Engineers and Commercial managers that are concentrated in higher level pay bands within the business. These roles are predominantly held by men (87%) relative to women (13%). This should also be considered against evidence that females make up only 9% of the UK engineering workforce (1); only 6% of registered engineers and technicians (i.e. CEng, IEng, Eng Tech) (2); and 17% of civil engineering graduates (3).

The table above depicts pay quartiles by gender. It shows HOCHTIEF's workforce divided into four equal-sized groups based on hourly pay rates, with Band A including the lowest-paid 25% of employees (the lower quartile) and Band D covering the highest-paid 25% (the upper quartile). **In order for there to be no gender pay gap, there would need to be an equal ratio of men to women in each Band.** However, within HOCHTIEF, 42% of the employees in Band A are women and 58% men. The percentage of male employees increases throughout the remaining Bands, from 78% in Band B to 93% in B and D.

Overall, HOCHTIEF's employees are split 80% male and 20% female.

HOCHTIEF has a mean gender bonus gap of 26.6%. This calculation reflects the payment of attendance-related bonuses to a small number of weekly-paid employees, bonuses paid to a limited number of engineering staff for working over the Christmas period; and executive bonuses. The proportion of men at HOCHTIEF who received a bonus in the 12 months up to 5 April 2017 was 17%, while for women this was 1.67%. This reflects the much higher proportion of men in the active delivery of construction projects.

It has not been possible to calculate a median gender bonus gap for HOCHTIEF as only one female (Executive) employee received a bonus in the reporting period.

### **What is HOCHTIEF doing to address its gender pay gap?**

While HOCHTIEF's mean gender pay gap of 23.1% compares unfavourably with that of organisations across the whole UK economy of 17.4% (2017 Office for National Statistics (ONS) Annual Survey of Hours and Earnings (ASHE) figures), we are not complacent, and we are committed to doing what we can to reduce the gap. However, we also recognise that our scope to act is limited; for example, HOCHTIEF's management and employees have no direct

control over the subjects that individuals choose to study at school or further education or the career choices that they make.

Activities and events that we have engaged in to influence the next generation of construction workers and Civil Engineers include:

- Actively engaging with female engineering students at university careers events around the UK for graduate engineer roles and year-out placements
- Supporting the Wiltshire schools 'Festival of Engineering' event to encourage children to pursue STEM subjects
- Attending the Wiltshire 'Women in Engineering' event promoting engineering careers
- Promoting civil engineering as a career at school, college and local authority sponsored events
- Supporting work experience placements from local schools and colleges
- Participating in the Bridges to Schools initiative to promote STEM subjects in local schools.

None of these initiatives will, of itself, remove the gender pay gap - and it may be several years before some have any impact at all. In the meantime, HOCHTIEF is committed to reporting on an annual basis on what it is doing to reduce the gender pay gap and the progress that it is making.

I, Lorna Stevens, Head of Human Resources for HOCHTIEF (UK) Construction Limited confirm that the information in this statement is accurate.

Signed



Date

3<sup>rd</sup> April 2018

Sources:

1. Skills and Demands from Industry – 2015 Survey, IET
2. Engineering UK 2015: The State of Engineering
3. Diversity in Engineering, Women's Engineering Society, September 2014.

