

## EUROVIA INFRASTRUCTURE LIMITED GENDER PAY REPORT FOR APRIL 2017 TARGET PAY PERIOD, PUBLISHED 2018

The Equality Act (Gender Pay Gap Information) Regulations 2017 (Regulations) came into force on 6 April 2017, requiring all private and voluntary sector employers with 250 or more employees to publicly report a range of gender pay information each year. **Eurovia Infrastructure Limited** is therefore required to publish an annual gender pay gap report and, as required, this report covers the period for the snapshot date of 5 April 2017.

Eurovia Infrastructure Limited is a multi discipline highways services and products provider, part of wider group of companies under Eurovia UK Limited. As a Group, we hold silver level Investors In People and also are Investors In Diversity accredited. We work with industry groups such as HTMA in raising standards across the industry about better representation as well as other key issues.

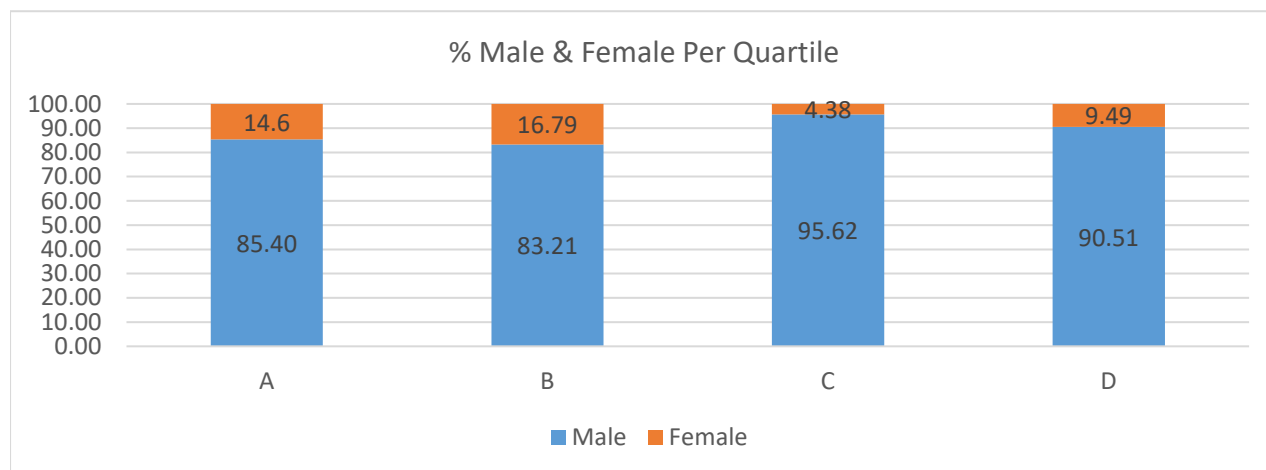
This report covers the Government's gender pay initiative; not equal pay. An equal pay audit compares men and women performing the same, similar or like work. The gender pay gap analysis compares the mean and median rates of pay of all men and women within an organisation regardless of job role. It may reveal an underrepresentation of women in highly paid roles and this can be quite common. The presence of a gender pay gap does not necessarily mean an employer is paying men and women unequally.

We work in an industry that struggles to attract younger people, and women in particular, and fewer women are also entering STEM careers in general in the UK. This lack of comparators can skew gender pay reporting data.

The results are required to be presented as both mean and median figures; and of the two, median results are often said to be more reliable. Mean data can be skewed by extreme high or low figures, thereby pushing up the result. Median data looks at which results occur most often, thus removing the impact of any extremes.

### **EUROVIA INFRASTRUCTURE LIMITED HEADLINE RESULTS:**

#### **Pay quartiles by gender:**



A = employees whose standard hourly rate places them at or below the lower quartile.

B = employees whose standard hourly rate places them above the lower quartile but at or below the median

C = employees whose standard hourly rate places them above the median but at or below the upper quartile

D = 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.

Mean gender pay gap	11.20%
Median gender pay gap	21.98%
Mean gender bonus gap	-1.89%
Median gender bonus gap	-6.59%
Proportion of male employees receiving a bonus	51.69%
Proportion of female employees receiving a bonus	6.00%

## **POSSIBLE UNDERLYING CAUSES:**

Eurovia Infrastructure 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 gender (or any other characteristic set out above). As such, we carry out pay and benefits audits at regular intervals; follow a clear recruitment process for the allocation of pay and benefits and, work to ensure a fair structure.

We employ c. 11% females across our business and that is one of the reasons for this dataset, and we work in a traditional industry that struggles to recruit women at operational level so there are often no clear gender based comparators to use. Our employees are also spread across England and regional drivers and differences therefore come into play. Any such differences however impact on all employees irrespective of gender.

We do not believe that any identified gender pay gap stems from paying men and women differently for the same or equivalent work. Rather any gender pay gap is the result of the roles currently occupied by men and women within Eurovia Infrastructure Limited and the salaries that these positions attract.

Across the UK economy 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 administration or other roles at the lower end of the organisation. In addition, across the UK, men are more likely to be in technical roles, which can attract higher rates of pay than other roles at similar levels of seniority.

Women are currently 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 modestly paid.

The Eurovia Infrastructure pay quartiles by gender table above shows our 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). For there to be no gender pay gap, there would need first to be an equal ratio of men to women in each Band. However, within our organisation and our industry more than 83% of employees in every Band are men and there is often no direct comparator. There would also have to be a true and even allocation of job roles and complexity with an equal number of each gender in each similar role.

## **HOW DO WE COMPARE?**

Many organisations have a gender pay gap, and Eurovia Infrastructure's gap compares favourably with that of other organisations, including those within our industry.

The mean gender pay gap for the whole economy (as per the November 2016 Office for National Statistics (ONS) Annual Survey of Hours and Earnings (ASHE) figures) is 17.5%. Our mean gender pay gap is significantly lower at 11.2%.

The median gender pay gap for the whole economy (as per the November 2016 ONS ASHE figures) is 19.2%, while in the construction industry it was 16.3%. At 21.98%, our median gender pay gap is, higher than the national average, but closer to that of comparable industries such as manufacturing and production.

The mean gender bonus gap and the median gender bonus gap reflect the bonuses paid to management and operational employees; a relatively small number of females receive bonus but often the cash amounts they receive are higher so leading to the mean negative gender bonus gap reported. When looking at mean cash amounts, males received an average of £4,334 and females £4,620.

As actual bonus payments are used in the calculations, rather than full-time equivalent amounts, this can also impact on results where there are many part-time, female staff.

The proportion of men in Eurovia Infrastructure who received a bonus in the 12 months up to 5 April 2017 was 51.69%, while for women this was 6.00%. This reflects the higher proportion of men in the management and technical operational but more than that, the very high numbers of males in site based roles that, under our current policy, attract a performance or production bonus. Our main bonus approach provides potential bonus based on objective results such as percentage net profit and days sales outstanding. For operatives in our business, the bonus is based on production on site. As there are no women in those roles, the bonus comparison is skewed by that. Bonus is only available to certain roles; and if there are fewer women than men in those roles, then the opportunity for women to earn bonus will also be reduced.

### **WHAT ARE WE DOING ABOUT IT?**

While our mean gender pay gap compares favourably with that of organisations both across the whole UK economy and within the construction sector, we remain committed to doing everything possible to reduce the gap.

The steps that Eurovia Infrastructure has taken and is taking to promote gender diversity in all areas of its workforce include the following:

#### **Monitoring data & evidence:**

We carry out regular data monitoring to enable better understanding of:

- the proportions of men and women being recruited;
- the proportions of men and women obtaining promotions and receiving training;
- the proportions of men and women leaving plus their reasons for leaving;
- the numbers of men and women in each role and pay level, with a view to objectively challenging any differences found

**Revising the flexible working policy:** Whilst many roles in the organisation are site based or rely on in-team working, the Company reviewed its flexible working policy in late 2016 to try to accommodate some elements of flexibility into working arrangements. All requests are reviewed by the senior team but local managers have the autonomy to agree to certain arrangements if they can support them locally.

**Unconscious Bias:** Eurovia Infrastructure has invested in training Managers in unconscious bias to enable them to challenge themselves and each other on any unconscious thinking that could impact decision making in general but specifically in relation to recruitment, development and people matters.

**Annual Pay Reviews:** All Managers are being reminded that the basis for any pay review recommendations or starting salaries of new employees must be objectively justifiable.

**Additional level of Analysis:** Where there are male and female job holders with the same or similar job title (not in pay quartiles) these roles have been looked at in more detail. Should any pay gaps exist, these will be reviewed to ensure that any pay variances are objectively justifiable.

**Recruitment:** We will partner with a recruitment process outsource provider to ensure that our employer brand is further developed and that our recruitment strategy is focused on reaching a diverse mix of candidates. We will look further at how our approach can be adjusted to enhance female recruitment. The RPO will ensure that clear messages are passed on to any third-party recruiters so that they provide us with a diverse range of applicants. We are already training managers in recruitment skills and the use of objective assessment.

**Access to Development and Promotion:** Access to training and development is already based on individual and business need; gender is not a factor. Mentors have also been introduced in the past two years, with leadership development available for those perceived to have potential in that area. Our first target has to be to bring in more women into the business and then to develop them from there, offering appropriate support to them.

**Pay & Reward:** We will continue to ensure that we have a robust pay and reward structure and will use the data from any audits to identify trends and remove barriers to progression for all employees. Managers responsible for making decisions about performance and pay have been trained on unconscious gender bias. Benchmarking is carried out at offer stage to ensure no gender bias exists, and this is also carried out at annual pay review to ensure objectivity across all protected strands.

**Family friendly initiatives:** Given the environment in which we work, we know there can be specific challenges in retaining female employees after having children. This may in turn affect any pipeline of women for senior roles. We are therefore looking at improving our financial support in terms of maternity and paternity pay. We provide support for colleagues on family leave such as maintaining contact and using Keeping In Touch days. We will also consider returner schemes for parents returning to the workplace after raising their family. This will impact positively as it remains the case that the higher proportion of those returners are women.

At Eurovia Infrastructure we recognise that none of these initiatives will, alone, remove the gender pay gap and it may take some time before some have any impact at all. In the meantime, we will continue to report on what we are doing to reduce the gender pay gap and on our progress.

Any further initiatives launched throughout the year will be reported on the company intranet.

I, Kristine Pollock, Group HR Director, confirm that the information in this statement is accurate.

Date 12<sup>th</sup> March 2018