

Diversity and inclusion

Attracting and retaining the most capable talent from all backgrounds is key to building a high-performance culture. Leo Quinn, Group Chief Executive, is the Board-level sponsor for diversity and inclusion (D&I), supported by a steering committee that leads, advocates and co-ordinates diversity initiatives.

There has been positive action to build strong foundations for Balfour Beatty's work in D&I during 2017. The three-year UK D&I action plan has been updated and is closely aligned to the Group's values of Talk Positively, Collaborate Relentlessly and Encourage Constantly, helping to build a strong culture of fairness, inclusion and respect. Affinity networks, each sponsored by a member of the executive team, enable employee groups to network, share information, drive action and support each other.

In 2017, 257 UK leaders and employees attended a programme specifically linked to the objectives of the Group's D&I agenda. To support the creation of an inclusive environment, Unconscious Bias workshops have been rolled out to employees with direct reports. As part of Balfour Beatty's drive to retain female talent, a three-day Women in Business career development programme has been launched to support women in accelerating their careers.

In February 2017 Balfour Beatty joined the Apprentice Diversity Champions Network, working with other UK employers to increase the diversity of future apprentice intakes. A Returners' programme was launched in 2017, to provide career placements to people who have been on a career break of two years or more.

The Company's efforts have been recognised externally – being shortlisted for a number of awards celebrating the Group's commitment to D&I – along with Balfour Beatty employees who have featured in the Financial Times Top 100 LGBT+ Executives and Top 50 Future Leaders. Award wins include CECA Inspiring Change, Women in Construction and Engineering, and Northern Power Women.

The Company's efforts across D&I have also been recognised outside the UK with awards including the Contractor of the Year Award by the National Association of Minority Contractors – Southern California Chapter (NAMC), the Company of the Year Award at the Women-In-Non-Traditional-Employment-Roles (WINTER) Annual Awards Gala in Los Angeles, as well as individual awards to employees including the National Advocate of the Year award by the Women Construction Owners and Executives USA (WCOE) and a Women of the Year (Mujeres Del Año) Diversity Award by the Regional Hispanic Chamber of Commerce.

Balfour Beatty is improving competitiveness within its supply chain by increasing its diversity and has spent more than 40% of total spend with SMEs over each of the last four years. The percentage spent with social enterprises and female-owned businesses has increased significantly since 2014. The Group is also collaborating across the sector on the CITB funded Fairness Inclusion and Respect programme to develop a range of free resources for use in the supply chain to improve Equality, Diversity & Inclusion practice at all tiers.

Strategic partnerships are in place with WISE, Business in the Community and Stonewall. In 2017 the Group supported the Leonard Cheshire Disability Society by providing two placements and in 2018 is sponsoring students through the Amos Bursary which supports young men of African and Caribbean descent, providing work experience placements, site tours, career days and mentors. In addition, Balfour Beatty recently joined companies across the industry to roll out Mates in Mind to help tackle the stigma of mental health.

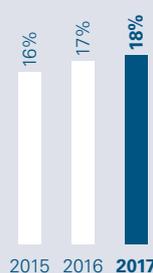
In October 2017, Balfour Beatty's advocacy for the Armed Forces and support for employing veterans, encouraging reservists and engaging with military charities and cadet units saw the Company awarded Gold status, with the award being presented by His Royal Highness Prince Henry of Wales.

The Group remains committed to building a workforce of industry-leading people that represents the communities it works in. It is this commitment and the continued engagement of employees that will provide the foundations for Balfour Beatty's future growth.

Group gender balance



Female employees across the workforce



| At 31 December 2017 | Male | Female | Total | % Male | % Female |
|--------------------------------|--------|--------|--------|--------|----------|
| Board | 7 | 1 | 8 | 87.5% | 12.5% |
| Senior management ¹ | 93 | 24 | 117 | 79.5% | 20.5% |
| Directors of subsidiaries | 216 | 30 | 246 | 87.8% | 12.2% |
| Group | 16,676 | 3,562 | 20,238 | 82.4% | 17.6% |

¹ Members of Group Head Office and divisional senior leadership teams.