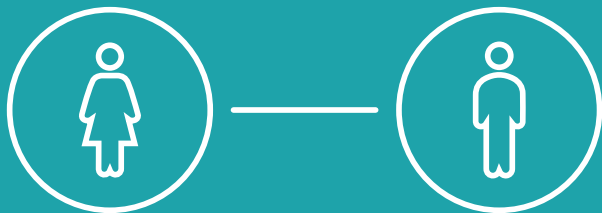


Gender pay gap report

2017



**MORGAN
SINDALL
GROUP**



Introduction

Morgan Sindall Group plc is a leading UK construction and regeneration group with revenue of c£2.8bn, employing around 6,400 employees and operating in the public, regulated and private sectors. We operate through six divisions of Construction & Infrastructure, Fit Out, Property Services, Partnership Housing, Urban Regeneration and Investments (the Group).

John Morgan
Chief Executive

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We aim to provide all of our employees with opportunities to develop their careers, by ensuring that we operate an inclusive, empowered culture, underpinned by respect at all times.

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In April 2017 new legislation came into force requiring companies with more than 250 employees to publish their gender pay gap. This report sets out the gender pay gap of each of the Group's legal entities to which the legislation applies. We have also produced data for the Group as a whole, including all of our companies regardless of the number of employees, because we believe that a full understanding of our gender pay gap is in the best interests of the Group and our employees.

Developing and retaining talented people is a key strategic objective for the Group and vital to our success. We aim to provide all of our employees with opportunities to develop their careers, by ensuring that we operate an inclusive, empowered culture, underpinned by respect at all times.

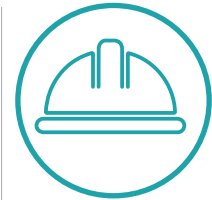
While the proportion of women within the Group is higher than the industry average, the process of collecting and analysing our gender pay gap data has highlighted to us that women are under-represented, particularly within senior roles. Going forward we are committed to addressing this imbalance and to achieving a year-on-year reduction in our gender pay gap.

I confirm that the data contained in this report is accurate and meets the requirements of the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

For and on behalf of the Board of Morgan Sindall Group plc

John Morgan

John Morgan
Chief Executive



£2.8bn

2017 Group revenue



6,400

employees operating in the public, regulated and private sectors

Our gender pay gap

Equal Pay

It is important to note that the gender pay gap is not the same as equal pay. Equal pay should be received by men and women performing equal or equivalent work. We have carried out additional analysis and are satisfied that men and women doing the same job and/or at the same level are being paid equitably across the Group.

How the gender pay gap is calculated

The gender pay gap compares men's and women's average hourly pay regardless of the type or level of their role. We have taken pay data from the whole Group, which includes many different roles with a variety of pay rates, and calculated and compared the mean average and median (mid-point) pay for each gender.

The median and mean calculations are also used to compare bonus pay over a 12-month period. The proportion of men and women awarded a bonus over the 12-month period is also reported.

The percentage pay quartiles are produced by listing the rates of pay for all employees from highest to lowest, splitting them into four equal-sized groups and calculating the percentage of men and women in each.

Headline gender pay gap for the Group

Our median and mean gender pay gap as at the snapshot date of 5 April 2017, and bonuses paid in the year to 5 April 2017, are shown below.

| Mean (average) | Median (middle) |
|-------------------------|-----------------|
| Gender pay gap | |
| 33.0% | 31.0% |
| Gender bonus gap | |
| 58.1% | 42.0% |

Understanding our gender pay gap

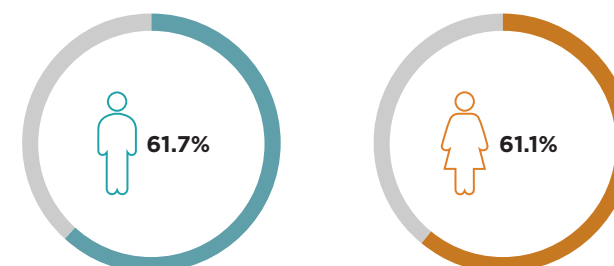
Our analysis of our gender pay gap at 5 April 2017 shows that the gap has arisen because women hold fewer senior higher-paid roles within the Group. While women make up 21% of the overall workforce, only 8% of our senior managers (those attracting the highest level of remuneration) are female. When we adjust for this factor our pay gap drops to 6.7%, where any differences can largely be explained by time in role or skill-set factors. This demonstrates that our biggest opportunity to close the gap is by encouraging and promoting female talent.

Although all employees have an equal opportunity to earn a bonus payment, and an equal proportion of men and women (61% in each case) received a bonus in the 12-month period, our bonus pay gap is driven by fewer women holding senior positions where higher bonuses are paid.

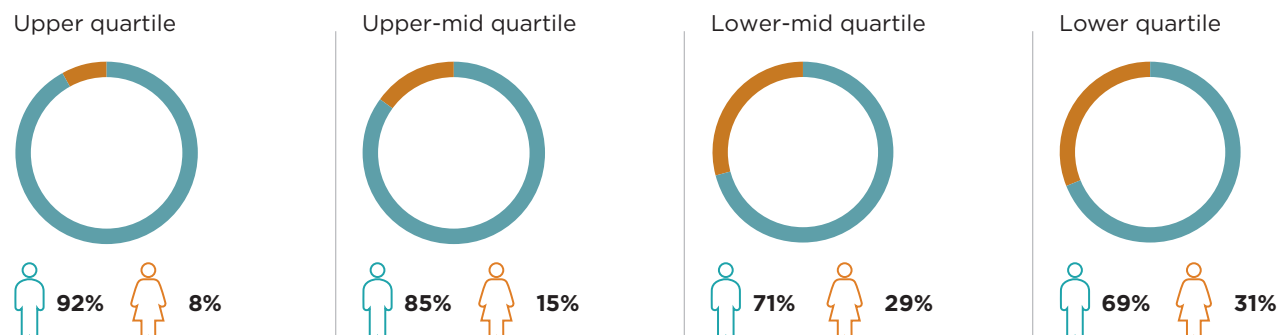
Proportion of men and women employed



Proportion of men and women receiving a bonus payment



Proportion of men and women by pay quartile, illustrating the gender distribution across the Group

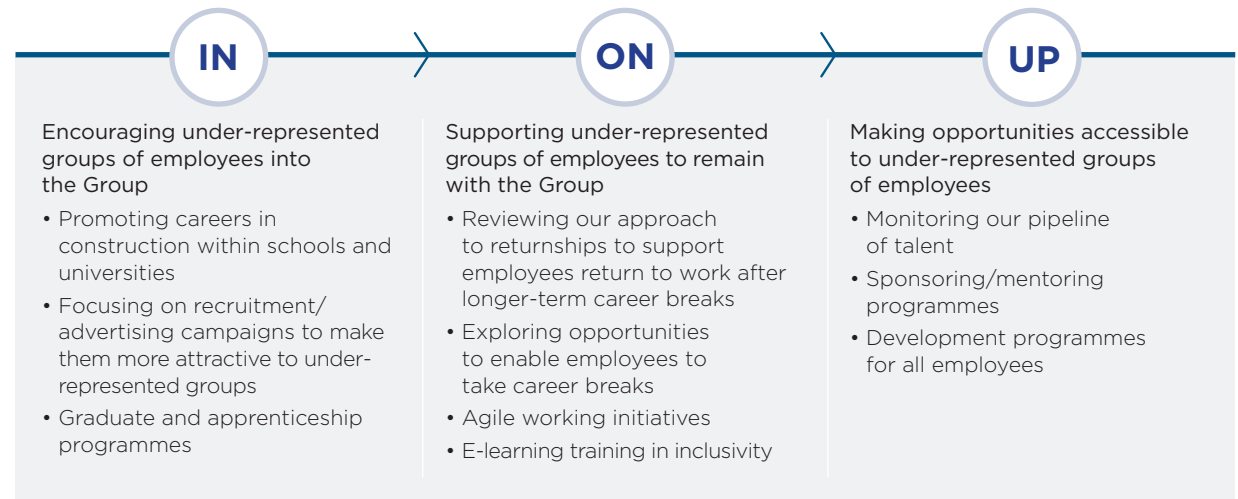


Taking action

Taking action on our gender pay gap

The construction industry in which we operate is a traditionally male sector, with only 12% of the workforce being women. We intend to encourage more women into the industry, motivate them to stay with us, and support them in building their careers. As we work to a decentralised philosophy, each of our divisions has responsibility for designing and implementing initiatives to support these aims and reduce its own gender pay gap.

Unfortunately, there is no quick fix to the gender pay gap, especially within the construction sector where there is under-representation of women as a whole. However, we are committed to implementing our long-term initiatives and to ensuring, in the meantime, that all employees continue to be paid equally and fairly for the roles that they are in.



Examples of specific actions recently undertaken by our divisions include:

Attracting senior returners back to the sector

In September 2017, our Construction & Infrastructure division launched a returnship programme aimed at attracting senior level female and male returners into the sector. Of the 90 applicants for the programme launch, 40% were female. Participants in the returnship programme are offered a three-month placement that includes structured skills training to help participants build their confidence in a work environment.



Supporting women after maternity leave

In 2018, Construction & Infrastructure is introducing a parental support buddy system for those just returning from family leave (which includes adoption, foster, shared parental leave and maternity leave), where they are matched with another employee who has been on family leave in the last two years. The scheme creates an informal support network for the employees while providing line managers with extra guidance on how to best keep in touch with employees on family leave, and make them feel valued and part of the team when they re-join.



Encouraging enterprise and skills

Our Partnership Housing division extensively supports the not-for-profit scheme, Enabling Enterprise, which arranges visits to workplaces for pupils aged 8-11 from local primary schools. During the one-day visits, which take place every three months, four or five Partnership Housing employees work directly with the pupils on team tasks designed to encourage enterprise in young people, especially those from challenging backgrounds. During the day, pupils get to see real-life working environments while developing skills in problem-solving, leadership, teamwork and presenting.

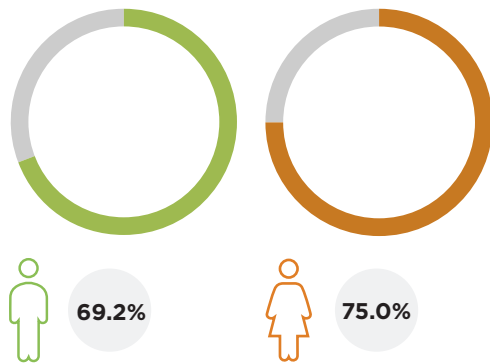


Statutory declarations

Morgan Sindall Group plc has four legal entities with at least 250 employees. Under the Regulations we are required to report our gender pay gap data for each of these entities as set out below.

| Morgan Sindall Construction & infrastructure Ltd | Median | Mean |
|--|--------|-------|
| Gender pay gap | 28.5% | 29.4% |
| Gender bonus pay gap | 45.5% | 52.0% |

Proportion of men and women receiving bonus payments

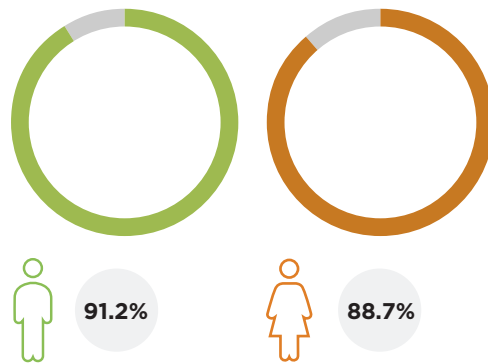


Proportion of men and women in each quartile band

| | Men | Women |
|--------------------|-----|-------|
| Upper quartile | 94% | 6% |
| Upper-mid quartile | 87% | 13% |
| Lower-mid quartile | 77% | 23% |
| Lower quartile | 73% | 27% |

| Overbury plc | Median | Mean |
|----------------------|--------|-------|
| Gender pay gap | 51.1% | 49.8% |
| Gender bonus pay gap | 59.7% | 71.1% |

Proportion of men and women receiving bonus payments

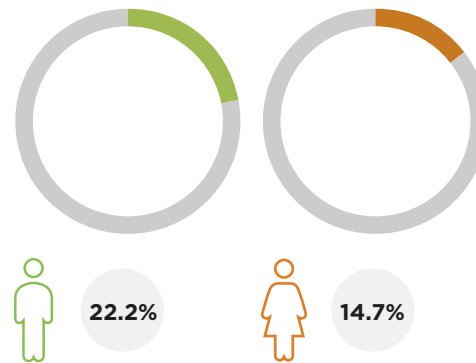


Proportion of men and women in each quartile band

| | Men | Women |
|--------------------|-------|-------|
| Upper quartile | 96.1% | 3.9% |
| Upper-mid quartile | 90.3% | 9.7% |
| Lower-mid quartile | 76.0% | 24.0% |
| Lower quartile | 47.7% | 52.3% |

| Lovell Partnerships Limited | Median | Mean |
|-----------------------------|---------|--------|
| Gender pay gap | 32.6% | 28.4% |
| Gender bonus pay gap | -191.4% | -55.5% |

Proportion of men and women receiving bonus payments

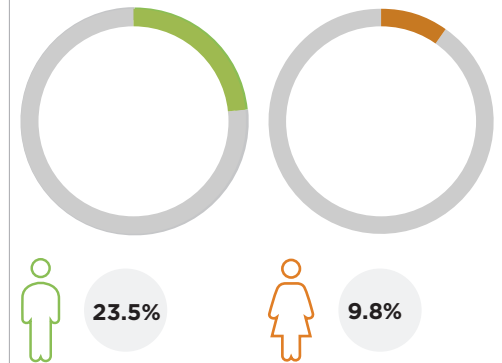


Proportion of men and women in each quartile band

| | Men | Women |
|--------------------|-----|-------|
| Upper quartile | 90% | 10% |
| Upper-mid quartile | 81% | 19% |
| Lower-mid quartile | 60% | 40% |
| Lower quartile | 66% | 34% |

| Morgan Sindall Property Services Limited | Median | Mean |
|--|--------|-------|
| Gender pay gap | 11.9% | 18.3% |
| Gender bonus pay gap | 5.6% | 79.9% |

Proportion of men and women receiving bonus payments



Proportion of men and women in each quartile band

| | Men | Women |
|--------------------|-----|-------|
| Upper quartile | 83% | 17% |
| Upper-mid quartile | 87% | 13% |
| Lower-mid quartile | 86% | 14% |
| Lower quartile | 63% | 37% |