

WATES GENDER PAY GAP REPORT 2018

In accordance with the UK government requirements, Wates publishes its second annual Gender Pay Gap Report. At Wates, we aim to be an inclusive and respectful employer, providing equality of opportunity and fulfilling careers for all our employees.

We are publishing four types of figures, as required:

- Gender pay gap (mean and median averages in hourly rate of pay)
- Gender bonus gap (mean and median average)
- Proportion of men and women receiving a bonus
- Proportion of men and women in each quartile of the organisation's pay structure

The annual requirement will support our commitment to diversity in a sector with a scarcity of skills. We are focused on attracting individuals from the widest talent pool and on growing people's careers within Wates. Ensuring that our workforce genuinely reflects the communities in which we operate is also incredibly important.

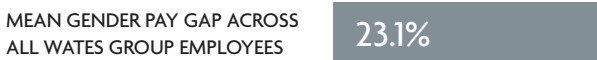
We are publishing figures for each of our three employing entities:

- SES (Engineering Services) Limited
- Wates Group Services Limited
- Wates Living Space (Maintenance) Limited

We are also presenting a summary of the same figures aggregated for the entire Wates Group.

PAY DIFFERENCE BETWEEN WOMEN AND MEN

(as at 5th April 2018)

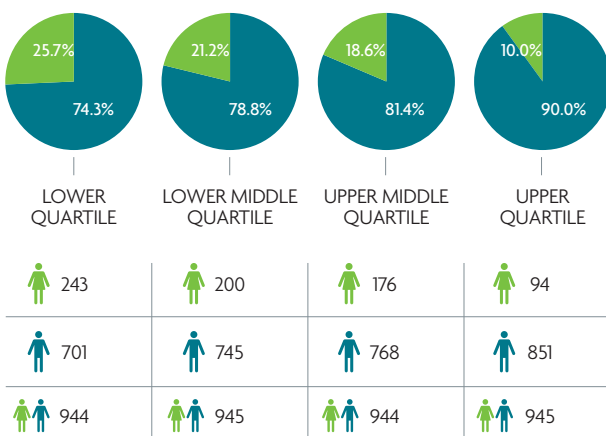


This data represents the difference between the average hourly rate of pay for all women compared with all men, irrespective of their role across Wates Group, expressed as a percentage of men's average pay. The calculation methodology is prescribed by the legislation.

A gender pay gap should not be confused with equal pay, which is concerned with ensuring women and men are paid the same for the same work or for work of equal value. In Wates, our gender pay gap is largely due to a higher proportion of women occupying lower grade roles and a higher proportion of men occupying higher grade roles as demonstrated in the table below.

PROPORTION OF WOMEN AND MEN IN EACH QUARTILE OF OUR PAY STRUCTURE

(as at 5th April 2018)



This chart shows the gender distribution across Wates Group in four equally-sized quartiles. Overall women represent 18.9% of Wates Group, which is a slight increase on 2017 figures (18.6%). Women are less well represented in senior roles at Wates, although again there have been some small increases in figures for the upper quartiles for 2018 (upper middle: 18.64% and upper: 9.95%) compared to 2017 (upper middle: 18.1% and upper: 9.6%).

BONUS DIFFERENCE BETWEEN WOMEN AND MEN

(in 12 months preceding 5 April 2018)



The bonus gap above is largely driven by higher basic salaries and higher eligibility levels for senior roles. The gap can also fluctuate from year to year as the performance of each business or divisional unit varies. Additionally, we have more women than men working part-time and, as the formula requires us to include actual bonuses paid, rather than pro-rated bonuses reflecting actual hours worked also increases the gap. While we are pleased to see that the median figure is moving in the right direction, narrowing the gap, we have explained below our continuing efforts to reduce the gap further.

PROPORTION OF WOMEN AND MEN RECEIVING BONUSES

(in 12 months preceding 5 April 2018)



This shows an overall increase in numbers of staff receiving a bonus, but a larger increase among our female staff (18.1% compared with 11.9% for male staff).

OUR CONTEXT AND ACTIONS

The inherent imbalance of gender distributions across roles in the wider construction industry remains a long-term challenge for all of us in the sector. Recognising this, we are continuing to take steps to redress this balance as evidenced by a modest increase of 0.3% of women in our organisation compared to previous year. We are examining and reviewing how we recruit, retain and develop women at every stage of the employee lifecycle and we have demonstrated some early success. For instance, within our early careers recruitment processes for 2019, we are ensuring that there is always one female assessor at every assessment centre and our assessor training helps assessors build their awareness of unconscious bias. How we retain and develop women into leadership roles has also been an area of focus. As a result we have created a Women's Leadership group to provide dedicated mentoring to support our female employees in developing successful careers at Wates.

Finally, in recognition of the importance of wider diversity and inclusion challenges and the clear business imperative to have a sustainable and representative workforce, we will be creating a new role of Head of Diversity and Inclusion and publishing our Diversity and Inclusion strategy during 2019. Diversity and Inclusion continues to be a topic we address at Board level and we are determined to make decisive progress towards creating a workforce that is more representative of the communities in which we work, including increasing the number of women in the company.

James Wates CBE
Chairman

David Allen
Chief Executive

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ACROSS OUR LEGAL ENTITIES

The new government regulations require legal entities in the UK employing more than 250 people to publish gender pay gap data. Wates Group has three such entities.

EMPLOYER ENTITY - SES (ENGINEERING SERVICES) LIMITED

(at 5 April 2018)

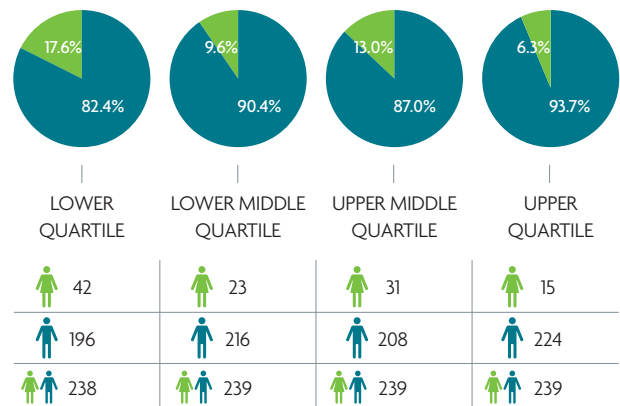
Pay & bonus difference between women and men

	Mean	Median
Pay	12.3%	9.8%
Bonus	42.7%	84.2%

Proportion of employees receiving a bonus



Proportion of women and men in each quartile of legal entity



EMPLOYER ENTITY - WATES GROUP SERVICES LIMITED

(at 5 April 2018)

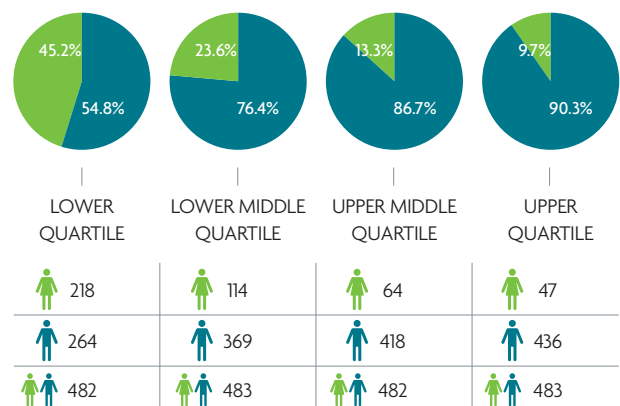
Pay & bonus difference between women and men

	Mean	Median
Pay	33.2%	37.4%
Bonus	61.3%	72.0%

Proportion of employees receiving a bonus



Proportion of women and men in each quartile of legal entity



EMPLOYER ENTITY - WATES LIVING SPACE (MAINTENANCE) LIMITED

(at 5 April 2018)

Pay & bonus difference between women and men

	Mean	Median
Pay	9.9%	12.2%
Bonus	3.5%	-80.9%

Proportion of employees receiving a bonus



Proportion of women and men in each quartile of legal entity

