

WATES GENDER PAY GAP REPORT 2019

Although the legal requirement to publish has been suspended during the current global pandemic, we are publishing our third Gender Pay Gap Report in October as part of our programme of activities to mark National Inclusion Month. At Wates, we believe that we will only achieve our strategic objectives if we attract and retain the best people and provide them with a diverse and inclusive environment in which they can thrive and grow as individuals.

We are publishing four types of figures:

- 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

We will be publishing the figures above for each of our three employing entities:

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

In addition, we will also be presenting a summary of the same figure aggregated for the overall Wates Group and this is set out in the data immediately below.

PAY DIFFERENCE BETWEEN WOMEN AND MEN (as at 5th April 2019)

MEAN GENDER PAY GAP ACROSS ALL WATES GROUP EMPLOYEES

21.7%

MEDIAN GENDER PAY GAP ACROSS ALL WATES GROUP EMPLOYEES

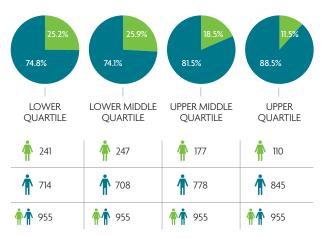
23.9%

This data illustrates the difference in average hourly rate of pay for all women compared to all men, irrespective of their grade or role. It is expressed as a percentage of men's average pay, and the calculation has been completed in line with legislation. It is important to remember that gender pay gap reporting is not the same as equal pay, which is concerned with ensuring women and men are paid the same for the same work or work of equal value. In Wates, our gender pay gap is driven by a higher proportion of men occupying senior and higher graded roles as is demonstrated by the smaller proportion of females in the upper pay quartiles in charts below.

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



(as at 5th April 2019)



The charts illustrate our gender distribution in each of the four equally-size pay quartiles. In the last twelve months, the representation of women in Wates has increased from 18.9% to 20.3%, with the most significant increases seen in the lower middle (an increase from 21.2% to 25.9%) and upper pay (an increase from 10.0% to 11.5%) quartiles. Although women are less well represented in senior roles at Wates, we are starting to see signs of progress in addressing this imbalance. There is still much work to do in order to achieve our target of 40% of women at all levels by 2025.

BONUS DIFFERENCE BETWEEN WOMEN AND MEN

(in 12 months preceding 5 April 2019)

MEAN

53.1%

MEDIAN

66.4%

Our bonus amounts are generally driven by fixed percentages of salaries with higher percentages and higher salaries for senior roles, which are more highly populated by males in Wates. As the trigger for payment is driven by business results, amounts of bonus paid will vary from year to year, and depending on which areas are more densely populated by females the average difference between women and men can also fluctuate. It is encouraging to see some reduction in the gap for this year.

PROPORTION OF WOMEN AND MEN RECEIVING BONUSES

(in 12 months preceding 5 April 2019)



68.1%



The number of females receiving a bonus has also increased again this year and the increase is more substantial than for men (an increase from 63.5% to 68.1% for women and 55.2% to 56.2% for men).

OUR CONTEXT AND ACTIONS

In 2019 we published #Wates Together: our diversity and inclusion plan and appointed our new Head of D&I to demonstrate our ongoing commitment to having a sustainable workforce that is representative of the communities we serve. We have set ourselves some bold targets such as doubling our percentage of female employees, and improving representation of demographic groups including BAME, LGBTQ+ and people with disabilities both visible and non-visible.

Changing our demographic composition will take time, but we are moving in the right direction. This year we have seen a significant increase in the number of females included in the upper quartile pay band, which has been a result of both internal promotions and external appointments into senior roles, particularly in areas which have traditionally been male-dominated. We will be working hard to ensure that this trend continues.

While we focus on attracting individuals from diverse backgrounds, we are also focussing on ensuring that we have an inclusive workplace in which our new and our existing talent can build meaningful, successful careers. We kicked this off with the roll-out of unconscious bias training to our leadership population in February 2020 and a further cascade of training to our management population.

Finally, on 9 March 2020 we announced an overhaul of our family friendly policies. This included increases in paid maternity leave (full pay for the first 26 weeks) and includes provisions for fathers or partners to take up to eight weeks paid time off within the first year after the birth of a child. The key principle in updating our provision was inclusion - both parents should have the opportunity to being involved in parenting. External studies have showed us that while working men want to be more involved, they do not find public policy or organisational practices supportive. We are hopeful that with these policy enhancements colleagues at Wates will feel empowered to draw on the support we now offer them in managing and enjoying their parenting and caring responsibilities.

Sir lames Wates CBF

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 2019)

Pay & bonus difference between women and men

	Mean	Median
Pay	17.8%	8.8%
Bonus	-9.3%	43.8%

Proportion of employees receiving a bonus





Proportion of women and men in each quartile of legal entity 79.0% 89.8% 85.5% 92.0% LOWER MIDDLE LOWER UPPER MIDDLE UPPFR QUARTILE QUARTILE QUARTILE **QUARTILE** 39 19 27 15 159 172 147

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EMPLOYER ENTITY - WATES GROUP SERVICES LIMITED

(at 5 April 2019)

Pay & bonus difference between women and men

	Mean	Median
Pay	29.8%	36.8%
Bonus	54.7%	67.6%

Proportion of employees receiving a bonus

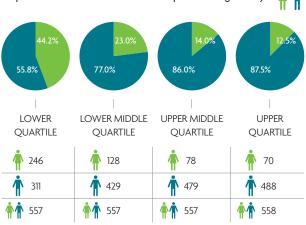




Proportion of women and men in each quartile of legal entity

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EMPLOYER ENTITY – WATES LIVING SPACE (MAINTENANCE) LIMITED (now Wates Property Services Limited) (at 5 April 2019)

Pay & bonus difference between women and men

	Mean	Median
Pay	3.4%	2.1%
Bonus	16.5%	-32.7%

Proportion of employees receiving a bonus





Proportion of women and men in each quartile of legal entity

