At Wates, we welcome the UK government’s requirement for companies with over 250 employees to be more transparent about gender pay gaps. Above all, this is about people and ensuring that Wates is a diverse, inclusive and representative organisation.

As a company we are now required to publish four types of figures annually:
- Gender pay gap (mean and median averages)
- Gender bonus gap (mean and median average)
- Proportion of men and women receiving bonuses
- Proportion of men and women in each quartile of the organisation’s pay structure

This annual requirement will support our commitment to diversity in a sector with a scarcity of skills. We are focused on attracting 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.

**PAY DIFFERENCE BETWEEN WOMEN AND MEN**
(at 5 April 2017)

**MEAN GENDER PAY GAP ACROSS ALL WATES GROUP EMPLOYEES**

22.7%

**MEDIAN GENDER PAY GAP ACROSS ALL WATES GROUP EMPLOYEES**

20.1%

This data represents the difference between the average hourly pay levels of all women compared with all men, irrespective of their role across Wates Group, expressed as a percentage of men’s average pay. The hourly pay figure used to calculate the difference is calculated according to a formula contained in the legislation.

The gender pay gap is an average figure and is not the same as equal pay which looks to ensure that women are paid the same for the same work, or for work of equal value. In Wates our gender pay gap is due largely to a higher proportion of women occupying lower grade roles as demonstrated in the table below, which sets out the gender distribution across Wates Group in four quartiles.

**PROPORTION OF WOMEN AND MEN IN EACH QUARTILE OF OUR PAY STRUCTURE**
(at 5 April 2017)

- **LOWER QUARTILE**
  - Women: 26.6%
  - Men: 73.4%
  - Total: 732 employees

- **LOWER MIDDLE QUARTILE**
  - Women: 20.6%
  - Men: 79.4%
  - Total: 204 employees

- **UPPER MIDDLE QUARTILE**
  - Women: 18.1%
  - Men: 81.9%
  - Total: 179 employees

- **UPPER QUARTILE**
  - Women: 9.6%
  - Men: 90.4%
  - Total: 95 employees

This chart shows the gender distribution across Wates Group in four equally-sized pay quartiles. Overall women represent 18.6% of Wates Group but are less well represented than this figure in the higher quartiles due to proportionally more men in senior roles within our organisation.

**BONUS DIFFERENCE BETWEEN WOMEN AND MEN**
(in 12 months preceding 5 April 2017)

**MEAN**

55.7%

**MEDIAN**

70.1%

The bonus gap is largely driven by the Wates Group bonus scheme, which is based on percentages of base salary. Higher base salaries for more senior roles feed through into the bonus gap. Additionally, we have more women working part-time than men and, as the formula requires us to include actual bonuses paid, pro-rated bonuses reflecting actual hours worked also increases the gap.

**PROPORTION OF WOMEN AND MEN RECEIVING BONUSES**
(in 12 months preceding 5 April 2017)

Women: 45.4%

Men: 43.3%

While we are committed to reducing our gender pay gap we also recognise that our gender pay gap data is reflective of many organisations in the construction sector and the roles fulfilled by both women and men within this sector. Proportionally, there are a higher number of men in senior roles within our organisation which is in line with our sector’s trend to date. Additionally, working patterns in this sector make certain roles less attractive to carers of young children. From a societal perspective, this still affects more women than men.

We also believe that our commitment to encourage people to develop their career in Wates, and our associated low turnover in certain roles, contributes to the on-going fact that we have a higher number of men in senior roles.

At 5 April 2017 our total female workforce was 18.6%, a figure we want to improve. We are actively encouraging more people, particularly women, to consider careers in the construction industry through an emphasis on early careers including ensuring our presence at career fairs across the UK. Building visibility of female talent within the construction sector is also crucial and we play our part in that by regularly nominating our female leaders for industry awards.

Our work continues to ensure our apprenticeships are attractive to women, as well as constantly looking at how our reward structure is set up to attract the most diverse workforce. All of this is underpinned by a broader focus on diversity and inclusion at Wates. Our Diversity & Inclusion Committee will help Wates to deliver a refreshed D&I strategy over the coming years.

James Wates CBE, Chairman

David Allen, Acting Chief Executive
WATES GENDER PAY GAP REPORT 2017

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 2017)

Pay & bonus difference between women and men

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>Median</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pay</td>
<td>17.6%</td>
<td>12.9%</td>
</tr>
<tr>
<td>Bonus</td>
<td>41.8%</td>
<td>75.6%</td>
</tr>
</tbody>
</table>

Proportion of employees receiving a bonus

- Women: 21.0%
- Men: 22.4%

Proportion of women and men in each quartile of legal entity

EMPLOYER ENTITY - WATES GROUP SERVICES LIMITED
(at 5 April 2017)

Pay & bonus difference between women and men

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>Median</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pay</td>
<td>29.5%</td>
<td>33.0%</td>
</tr>
<tr>
<td>Bonus</td>
<td>55.8%</td>
<td>65.1%</td>
</tr>
</tbody>
</table>

Proportion of employees receiving a bonus

- Women: 63.8%
- Men: 72.4%

Proportion of women and men in each quartile of legal entity

EMPLOYER ENTITY – WATES LIVING SPACE (MAINTENANCE) LIMITED
(at 5 April 2017)

Pay & bonus difference between women and men

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>Median</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pay</td>
<td>15.1%</td>
<td>16.0%</td>
</tr>
<tr>
<td>Bonus</td>
<td>32.2%</td>
<td>6.8%</td>
</tr>
</tbody>
</table>

Proportion of employees receiving a bonus

- Women: 22.7%
- Men: 12.2%

Proportion of women and men in each quartile of legal entity

Above all, it’s about people

wates.co.uk