

WATES GENDER PAY GAP REPORT 2020



In line with legislation, Wates publishes its Gender Pay Gap Report for 2020. As the report will illustrate, the COVID-19 pandemic had a significant impact on our pay practices in the second quarter of 2020, which is where the snapshot date for the purposes of this report falls. It is important to note that the Government reporting requirements have also been adjusted and as a result a significant portion of our employee population are excluded from the report in respect of the pay gap as they were furloughed at the snapshot date.

We are required to publish four types of figures:

- Gender pay gap (mean and median averages in hourly rates 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 have chosen to present a summary of the results in each category for the overall Wates Group (which includes all of our employees) as this is the benchmark that we track for the purposes of evaluating the success of our Group D&I strategy.

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

- SES (Engineering Services) Ltd
- Wates Group Services Ltd
- Wates Property Services Ltd

PAY DIFFERENCE BETWEEN WOMEN AND MEN

(as of 5 April 2020)

MEAN GENDER PAY GAP ACROSS ALL WATES GROUP EMPLOYEES

30.3%

MEDIAN GENDER PAY GAP ACROSS ALL WATES GROUP EMPLOYEES

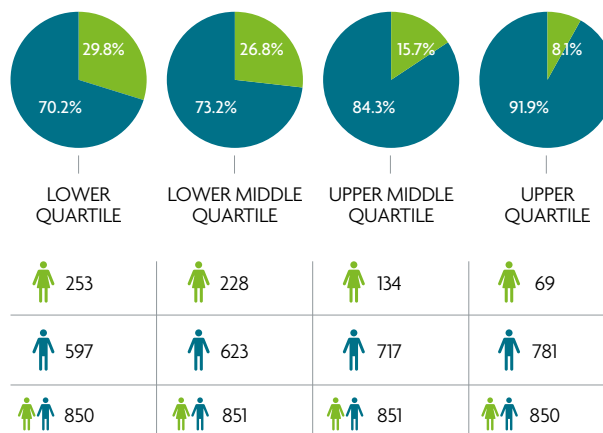
32.9%

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 the charts.

It is in these numbers that we can most clearly see the impact of the pandemic. There has been a significant increase in both our mean and median gender pay gap and much of this was driven by our COVID-19 cost mitigation (e.g. furloughed employees) activities in April 2020.

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

(as of 5 April 2020)



The charts illustrate our gender distribution in each of the four equally-sized pay quartiles. In the last 12 months the representation of women in Wates has remained approximately the same at around 20%. However, there has been a decrease in the proportion of women in the upper pay quartile (from 11.5% to 8.1%) and an increase in the proportion of women in the lower pay quartile (from 25.2% to 29.8%). Despite these results we remain fully committed to achieving our target of 40% of women at all levels of the organisation by 2025.

BONUS DIFFERENCE BETWEEN WOMEN AND MEN

(in 12 months preceding 5 April 2020)

MEAN

54.4

MEDIAN

61.2

The figures indicate a slight increase to the mean but a significant decrease to the median percentage difference. Our bonus amounts are generally driven by fixed percentages of salaries with higher percentages and higher salaries for senior roles, which as can be seen from the quartiles are more highly populated by men. As the trigger for payment is driven by business results, amounts of bonus will vary from year to year and the average difference between women and men can also fluctuate particularly when more women work part time.

PROPORTION OF WOMEN AND MEN RECEIVING BONUSES

(in the 12 months preceding 5 April 2020)



There was marginal increase in the number of women receiving a bonus but the increase was more substantial for men (up from 68.1% to 69% for women and 56.2% to 61.6% for men).

2020 was a challenging year for Wates as it was for many organisations and some activities that were designed to protect our financial stability and preserve jobs in the longer term have had a significant but unintended impact on our gender pay gap. We continue to monitor our underlying gender pay gap and remain as committed as ever to not only reducing the gap but ensuring we have a sustainable workforce that is representative of the communities we serve.

Following the publication of our Diversity and Inclusion Strategy in 2019, we have developed five key actions to improve diversity and inclusion:

1. Attract and hire the best from a wider, more diverse talent pool including the removal of bias from our recruitment processes and diversifying our candidate pool;
2. Create a more inclusive workplace, which in 2020 included the roll-out of our iLead Inclusive Leadership Programme and kick-starting an organisation-wide conversation via our Inclusion Month in October;
3. Create a psychologically safe space to work through employee networks. In 2020 we initiated a series of 'Listening Groups' which highlighted the issue of 'microaggressions' and their impact on inclusion;
4. Create a fair place to work (systemic fairness) beginning with a review of people policies and practices, including the roll-out of market-leading family-friendly policies in 2020 and tightening our stance on anti-bullying and harassment;
5. Offer fair and equal career opportunities to all colleagues by reviewing all career development processes through an inclusion lens, closely monitoring data trends to better identify and address systemic and cultural barriers to progression.

It is our ambition that as we embed these actions, we will see real and sustained progress in addressing our gender pay gap in Wates.

Sir James Wates CBE
Chairman

David Allen
Chief Executive

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 2020)

Pay & bonus difference between women and men

	Mean	Median
Pay	32.2%	23.8%
Bonus	-52.3%	-174.5%

Proportion of employees receiving a bonus



Distribution of employees across the pay range



EMPLOYER ENTITY - WATES GROUP SERVICES LIMITED

(at 5 April 2020)

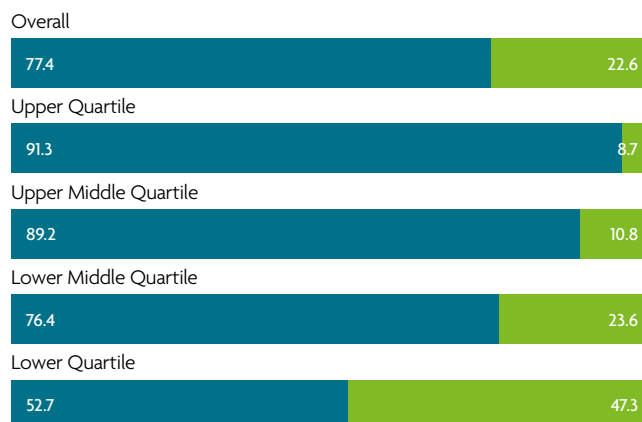
Pay & bonus difference between women and men

	Mean	Median
Pay	36.2%	47.1%
Bonus	59.6%	67.5%

Proportion of employees receiving a bonus



Distribution of employees across the pay range



EMPLOYER ENTITY - WATES PROPERTY SERVICES LIMITED

(at 5 April 2020)

Pay & bonus difference between women and men

	Mean	Median
Pay	17.3%	7.7%
Bonus	9.1%	-16.1%

Proportion of employees receiving a bonus



Distribution of employees across the pay range

