Introduction

In April 2017 the UK Government introduced new legislation meaning that employers with more than 250 employees are required to report annually on their gender pay gap. Employers must publish their gender pay gap report annually by 4th April each year and make it available on its website. In addition, this information must be uploaded onto a government website where it is publicly available as a database.

Hill fully supports this legislation and is passionate about fairness, equality and inclusion and is committed to reducing our gender pay gap.

This is Hill’s second report and covers the period from 6th April 2017 to 5th April 2018. Whilst it is encouraging to see that some of the published statistics have moved favourably from last year, we recognise that there is still much work to do to close the gender pay gap, particularly within the property and construction sectors.

What is the gender pay gap?

The gender pay gap measures the difference between men and women’s average earnings and is expressed as a percentage of men’s pay. It compares the average pay by gender of all roles collectively, regardless of type or level.

The average is calculated in two ways – the “mean”, which is a straightforward calculation of the average hourly rate and the “median”, which is the middle salary if all salaries were listed in order from lowest to highest.

According to the Office of National Statistics, the overall UK gender pay gap across all industries in 2017 was 18.4%, meaning that the average women earned 18.4% less than the average man.

Is the gender pay gap the same as equal pay?

The gender pay gap is not the same as equal pay. Equal pay refers to men and women being paid the same for work of equal value, a principle which has been enshrined in UK law since the 1970’s. Whilst we do have a gender pay gap when we compare the overall average pay and bonuses for men and women, a woman and a man at Hill will receive equal pay for equivalent jobs.
Why does Hill have a gender pay gap?

Our gap is as a result of a higher proportion of male employees in senior management positions and also within construction activities, positions which also attract higher bonus payments. It is not because of our pay policies and practices.

Proportion of men and women by discipline

As the graph above shows, men and women are broadly equally represented within sales, customer service and central services, but are significantly underrepresented within our construction team where only 7% of the workforce are women. This reflects the fact that construction activities are traditionally male-dominated and whilst we would like to employ a higher proportion of women in this area, the supply is limited.

What is Hill doing to correct it?

It will take some time to make inroads into the gender pay gap, but a number of initiatives are already underway, including:

- We have updated our Maternity and Paternity policies. We now offer an additional staff benefit of enhanced maternity pay based on length of service at Hill. By taking a family-friendly approach, we hope that more women will be encouraged to return to work after having a child.

- We have become a gold member of Women into Construction, a not-for-profit organisation that provides bespoke support for women who wish to work or currently work in the construction industry. We are also sponsoring a Project Coordinator role in partnership with Women into Construction, who will be working across the Oxford/Cambridge corridor, a key development area for us.

- We have introduced a Diversity Working Group consisting of a cross-section of employees with the goal of coming up with innovative ways to attract a more diverse workforce to Hill, from trainee to senior management level.

- As a member of the 5% club and the Home Builder’s Federation Skills Pledge, we liaise with schools and colleges in areas in which we work to inspire young people by demonstrating the benefits of working in construction regardless of gender.

- In the 30th anniversary year of the Women’s Varsity Match, Hill were proud sponsors for this landmark event in women’s rugby. As part of this sponsorship, over 40 Hill women volunteered at two SportInspired rugby festivals which provided the opportunity for over 500 school children to develop leadership skills and train with Oxford and Cambridge University rugby teams. In addition, we hosted an event with rising stars within our industry to celebrate and promote gender equality.

As a group we are committed to an ongoing review of our policies and processes to ensure that we promote diversity and inclusivity at the workplace, ensuring opportunities are fair and equitable for all.
Snapshot summary

Date of snapshot: 5th April 2018
Number of relevant employees: 494
Gender balance: 77% Male, 23% Women

Pay and bonus Gap

Difference between men and women

<table>
<thead>
<tr>
<th>Pay (per hour)</th>
<th>Mean</th>
<th>Median</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pay (per hour)</td>
<td>36.7%</td>
<td>45.0%</td>
</tr>
<tr>
<td>Bonus paid</td>
<td>73.6%</td>
<td>84.3%</td>
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</tbody>
</table>

This table shows the overall mean and median gender pay gap as at the snapshot date of 5th April 2018. It also shows the mean and median differences between bonuses paid to men and women in the year up to 5th April 2018, i.e. for the 2016 performance year. The mean and median pay gaps have reduced by 3% and 4% respectively since we reported last year.

Proportion of employees paid a bonus for 2017

- **45%** Did not receive a bonus
- **55%** Received a bonus
- **32%** Did not receive a bonus
- **68%** Received a bonus

This shows that 68% of women were paid a bonus for 2017, compared to 55% of men. Whilst the percentage of men receiving a bonus is broadly the same as last year, the percentage of women receiving a bonus has increased by 11% since we last reported.

Pay Quartiles

Below illustrates the gender distribution at Hill across four equally sized quartiles, each containing around 124 employees, with quartile one being the lowest paid employees and quartile four the highest. Whilst the proportion of women in the lowest paid quartile has decreased from last year, the mix in quartile four remains unchanged.
Summary

The property and construction sectors continue to suffer from female underrepresentation, which is particularly noticeable at senior levels. We have implemented several initiatives to attract more women into the industry and develop the talent within the company to date and continue to look into new ways to attract a more diverse workforce.

Although closing the gender pay gap will take time, supporting female talent is key to Hill and the industry as a whole, whilst at the same time promoting a diverse and inclusive culture.

I confirm the data reported is accurate.

ANDY HILL
Group Chief Executive
01 April 2019