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 third report and covers the period from 6th April 2018 to 5th April 2019. Whilst it is encouraging that for the second year running some of the published statistics have moved favourably from the previous 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 for National Statistics, the UK gender pay gap across all industries currently stands at 17.3%, meaning that the average women earns 17.3% 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 that 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 women 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 as well as within construction activities, positions that will 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 women are significantly under represented 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:

- 2019 saw the largest ever intake of women into the Hill management trainee scheme, where currently over 100 young people are in the process of completing their industry related qualification.
- We have updated both 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 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.
- We are a platinum member of Women into Construction, a not-for-profit organisation that provides bespoke support for women who work, or who wish to work, in the construction industry. We also sponsor a Project Co-ordinator role in partnership with Women into Construction, who works across the Oxford/Cambridge corridor, a key development area for us.
- As a member of the 5% club and the Home Builders 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.

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 2019

Number of relevant employees: 528

Gender balance

- Male: 77%
- Women: 23%

**Pay and bonus gap**

**Difference between men and women**

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>Median</th>
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<tbody>
<tr>
<td>Pay (per hour)</td>
<td>36.0%</td>
<td>45.9%</td>
</tr>
<tr>
<td>Bonus paid</td>
<td>69.2%</td>
<td>61.6%</td>
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</table>

This table shows the overall mean and median gender pay gaps as at the snapshot date of 5th April 2019. It also shows the mean and median differences between bonuses paid to men and women in the year up to 5th April 2019 (i.e. for the 2017 performance year). Whilst the mean and median pay gaps have remained at similar levels to last year, both the mean and median bonus gaps have improved by 4% and 23% respectively since we last reported.

**Proportion of employees paid a bonus**

- 35% Did not receive a bonus
- 65% Received a bonus

- 23% Did not receive a bonus
- 77% Received a bonus

This shows that 77% of women were paid a bonus in the year ended 5th April 2019, compared to 65% of men, an increase from last year of 10% and 9% respectively.

**Pay quartiles**

Below illustrates the gender distribution at Hill across four equally sized quartiles, each containing 132 employees, with quartile one being the lowest paid employees and quartile four the highest. The mix in all quartiles remains similar to last year.

- Quartile one: 59% Male, 41% Women
- Quartile two: 71% Male, 29% Women
- Quartile three: 86% Male, 14% Women
- Quartile four: 92% Male, 8% Women
Summary

The property and construction sectors continue to suffer from female under representation, which is particularly noticeable at senior levels. We have already implemented several initiatives to attract more women into the industry and develop talent within the company 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
31 March 2020