

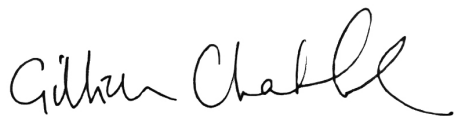
BRE

Gender Pay Gap Report 2019

Building a better world together

This report provides details of our results as at 5 April, 2019 and our key areas of focus

This report is approved by:



Gillian Charlesworth
Chief Executive Officer



Andrea Sutherill
Director, People & Wellbeing

Equality, diversity and inclusion are critical for our future success and for the culture that we want to create for our colleagues; one in which everyone has equality of opportunity and where our diversity is celebrated so that our colleagues feel empowered to be themselves, able to participate and fulfil their potential, every day.

Everyone benefits from embracing and valuing the diversity of thoughts and ideas that we collectively generate from our different backgrounds, identities and experiences and being able to use our skills and talents to achieve our potential in a supportive and inclusive environment. Leveraging these unique talents benefits us as individuals, BRE and our clients and the communities that we serve.

As part of our commitment to equality, diversity and inclusion, we remain resolute to achieving both a diverse and gender balanced team at BRE.



Gillian Charlesworth
Chief Executive



Andrea Sutherill
Director, People & Wellbeing

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- This is our third gender pay gap report and details our results for the period April 2018 to April 2019 along with an update on our achievements and continued areas of focus
 - Since our first gender pay gap report in 2017, we have seen some modest improvements in our overall results with reductions in both our mean and median gender pay gap since that point
 - Whilst we are committed to narrowing our gender pay gap and feel that our results are moving in the right direction, we also know that there are many factors that influence each set of annual results that we produce; our overall numbers of employees, changes in the gender representation in our highest pay quartiles and periods where we make bonus payments are just some examples of these influencing factors.
 - Therefore, we remain resolute on the actions that we have in place to improve our overall gender representation whilst at the same time ensuring that we continue to support all of our colleagues as part of our overall focus on equality, diversity and inclusion.



We recognise that our people are the lifeblood of our organisation. Our aspiration is to support our employees to be excellent in their chosen field through the development of new skills, providing development pathways, career opportunities, more flexible ways of working and great places to work in.

The government introduced regulations in 2017 that require employers in the UK with more than 250 staff to report on their gender pay gap by using six calculations:

- *Mean gender pay gap (in hourly pay)*
- *Median gender pay gap (in hourly pay)*
- *Mean bonus gender pay gap*
- *Median bonus gender pay gap*
- *Proportion of men and women who receive a bonus*
- *Distribution of men and women across four pay quartiles ordered from lowest to highest pay*

This is our third gender pay report for the 12 month reporting period up to 5 April 2019.

Gender Pay Gap is different to Equal Pay



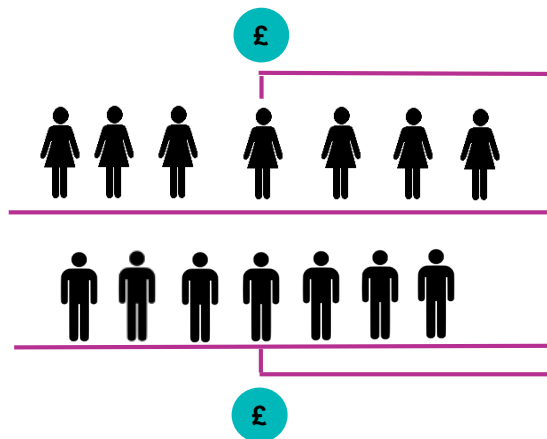
The gender pay gap shows the average difference between the earnings of women and men. It has a number of contributory factors, most of which are about the representation of women in the workplace in different industries and the jobs open to women rather than about the ways in which men and women are paid



Equal pay is about whether women and men performing the same jobs, similar jobs or work of equal value receive the same pay

Gender pay gap: what is it and how is it calculated?

The gender pay gap is a measure that shows the difference in average earnings between men and women. It is measured using two types of averages; the median and mean gender pay gaps and will include both 'ordinary pay' (basic pay and allowances for example) and 'bonus pay' (profit sharing, productivity, performance and other bonus or incentive pay for example).



Median Gender Pay Gap

If we lined up all of our employees in two lines (male and female) in order from the lowest paid to the highest paid, the median gender pay gap compares the pay of the middle female in the female line with the middle male in the male line. The median gender pay gap can be more representative than the mean pay gap because it is less affected by a handful of considerably higher (or lower) salaries.



Mean Gender Pay Gap

A mean gender pay gap is calculated by adding up the salaries of all females in the company and calculating their average salary and then comparing this to the same for men. The mean gap can be a better measure of the labour market disadvantage for women as it will be influenced by fewer women in high paying roles.

Our results – Mean and Median Gender Pay Gap

**MEAN (average)
gender pay gap**

17.2%
(29.6% in 2018)

**MEDIAN (midpoint)
gender pay gap**

18.1%
(16.5% in 2018)

Gender pay gap in hourly pay (5 April, 2019)

These figures show the difference between the mean (average) and median (midpoint) hourly pay of all male and female employees, regardless of their role, expressed as a % of male employees pay.

We have a gender pay gap because:

- our organisation is made up of 64% men and 36% women
- given the nature of our business, we employ people with qualifications in science, technology, engineering and mathematics (STEM) related fields. National demand for these skills is high but the number of women studying and working in STEM remains low and therefore this affects the gender diversity of available applicants for some roles at BRE
- we have a larger proportion of males in upper pay quartiles where salaries are higher

Our results - Bonus pay gap and proportion of employees receiving a bonus

Bonus gender pay gap (earned in 12 months prior to 5 April 2019)

MEAN Bonus gap = 60%
(-16.8% in 2018)

Bonus gender pay gap

To calculate the **bonus gender pay gap**, we include the following: *performance related bonuses, sales commission payments, long service awards, vouchers and staff awards.*

MEDIAN Bonus gap = 7%
(0% in 2018)

The reason we have a **mean bonus gap** of 60% is that in this reporting period, the average amount of bonus paid to **males was greater than females**. This mean measure is influenced by a small number of high payments.

The reason we have a **median bonus gap** of 7% is that the midpoint of all bonus payments made in this reporting period was slightly higher for males than it was for females.

Proportion of employees who receive a bonus (earned in 12 months prior to 5 April 2019)



18.3%
(13.8% in 2018)



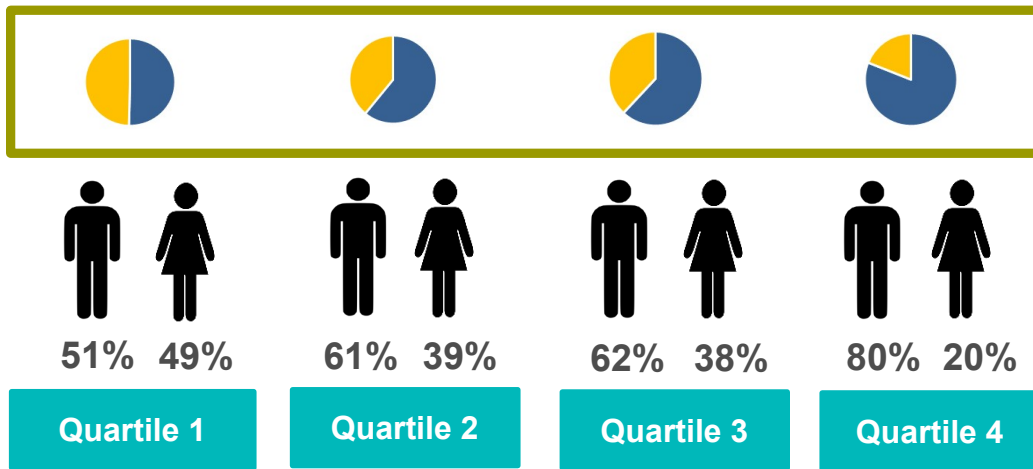
8.9%
(10.9% in 2018)

Proportion of employees receiving bonuses

A higher proportion of bonuses were paid to women in this reporting period.

Our results – distribution of employees across pay quartiles

Distribution of employees across pay quartiles (at 5 April, 2019)



You can see that our gender pay gap predominantly stems from a greater proportion of males v females in the 4th pay quartile.

This shows our gender distribution across **four pay quartiles**. The pay quartiles are created by dividing our employees into four equally sized groups in order of their hourly pay rate, ordered from quartile 1 through to quartile 4 (quartile 4 representing the top 25% of hourly pay rates for example).

Hourly pay calculations include base pay, allowances and any profit sharing, productivity, performance or other bonus pay and commission payments received in the reporting period (April 2019).

This year, there are 140 employees in each of these quartiles. In order for there to be little or no gender pay gap, there would need to be the same ratio of men to women in each quartile band.

What have we achieved since our 2018 report?

JOB FAMILIES

- We implemented the job family framework which will replace our legacy structure and pay band system and deliver greater transparency and robustness to our pay, promotion and reward processes

RECRUITMENT:

- We've continued to build education relationships; supporting careers events at local girls' schools as well as targeting STEM and Built Environment related University Careers Fairs
- 50% of our graduate rotation scheme entrants were female this year
- We've continually assessed the language that is used in our recruitment materials to ensure that it is gender-neutral and attracts all candidates regardless of gender
- Although not reflected in this report, we have recruited our first female CEO

POLICIES

- We enhanced pay for Shared Parental Leave to make it easier for fathers to share child care responsibilities

FLEXIBILITY

- We continue to advertise roles with flexible working options, such as part-time work, remote working, job sharing or compressed hours, where possible
- We encourage flexible working where possible and were externally recognised for our approach this year winning a Regional Employer Award



What will we do to continue to focus on reducing our gender pay gap?

Resourcing

We remain steadfast in our commitment to attract the most diverse and talented individuals from the widest talent pools. We will continue to:

- ensure we use gender-neutral language in our resourcing processes
- challenge ourselves and our recruitment partners to attract from the widest talent pools and prioritise diversity and inclusion in shortlists for vacancies
- continue to build the BRE brand and our employment proposition to attract more female candidates for roles

Policies

We are committed to developing policies and practices that support equality, diversity and inclusion. We will continue to:

- Promote flexible ways of working across BRE and build on the work that we already do to promote our support for flexible working practices
- Embed our job family framework further and continue to be consistent and transparent regarding our salary ranges, remuneration and promotion policies and processes

Learning & Development

We will continue to invest in the development of our colleagues and will:

- Introduce management and leadership training in 2020 which will enable our people leaders to develop their capability in leading inclusive teams
- Create awareness of Unconscious Bias with the aim of ensuring that we all understand the impact that we can have on our colleagues and how greater awareness of unconscious biases can help create a diverse and inclusive environment

Thank you

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