



GENDER PAY GAP REPORT APRIL 2023

FOREWORD

It's our vision is to be a company people aspire to work for, where we always deliver the best experience for our customers.

We aim to provide people with fulfilling careers, deliver projects that make customers proud, benefit communities through involvement and preserve the natural environment.

As a company we have 294 employees and continue to grow sustainably, so we can provide opportunities and the careers they all want.

The UK construction industry has a skills shortage, so it's more important than ever we are diverse and inclusive in our employment approach, enabling us to recruit and retain talented individuals and build a strong business.

We prosper by building teams, developing talent, living our guiding principles, promoting team spirit and recognising the contribution people make to our business.

Eighteen per cent of employees are female. In the last 12 months, 20% of new recruits were women. These figures are similar to last year. The proportion of female new joiners in emerging talent and operational roles has increased to 44% compared to 30% last year, with remaining roles being administrative and community engagement. Women continued to secure 20% of promotions. However, 17% of those leaving the company were also women, a slight improvement on previous yet still improvement to be made.

In our leadership team of nine, two women contribute to the strategic direction of the business; one is a board director. A business priority this year is to explain the value of equality, diversity and inclusion and to do more to encourage and support women in construction roles.

Our diversity and inclusion programme sets out a number of priorities. Over the last 12 months we have:

- Embedded a leadership skills framework into our 'inspiring leaders' programme, which has been rolled out across all leaders and is due for completion in June 2024.
- Our graduate and new entrants programme (Aspire) has inclusion embedded in its modules and seeks to raise awareness and encourage open conversations about diversity.
- Introduced an annual survey and quarterly questionnaire for new starters and are recording gender for promotions and out of cycle pay increases. The implementation of a new HR system coming this year, will make it easier to analyse the data we collect.
- Challenged our recruitment partner to provide data to assist us in attracting more women and understand where improvements can be made.
- Developed our recruitment procedure so that it is underpinned by skills training to improve our ability to attract women into roles. It will be launched in summer 2024.
- Continued to engage through our Great Place to Work Forum inviting discussion on how we can improve the workplace for women.
- Used our membership of a cross-industry group to gain insight into data across a wider platform and share knowledge and activities that have been proven successful.



WHAT IS GENDER PAY?

Gender pay is often confused with equal pay. Equal pay relates to what men and women are paid in the same role or in jobs of equal value. Equal pay is a legal requirement under the Equality Act 2010. Gender pay relates to the earnings of the average female and the average male.

Our aim in reporting our gender pay gap is to enable Knights Brown to recognise and reduce the gap, which has been a particular issue for the construction industry. A long term strategy is required to change perceptions throughout the industry and beyond and by encouraging more women to make construction their career of choice. Our diversity and inclusion programme 'Everyone' sets out our long term approach.

Pay for the purposes of gender pay gap reporting, doesn't include overtime payments or benefits in kind. However, it does include all additional payments made as a matter of course within normal contractual hours, including shift/travel payments, paid breaks, car allowances, etc.

HOW DO WE COMPARE TO 2022?

Mean gender pay gap

This calculation shows the difference between the average (mean) rates of pay for men and women in April 2023, expressed as a percentage. In 2021 the figure sat at 22.8%. In 2022 it grew to 28.7%, while this year we saw it reduce to 24.2%

- The mean hourly rate of pay for men increased from £22.44 in 2022 to £24.17 in 2023.
- The mean hourly rate of pay for women increased from £15.98 in 2022 to £18.31 in 2023.

The difference between the 2023 figures, representing our gender pay gap, is **28.7%**.

This means that for every £1 earned by a man, a woman earns just under 72p, regardless of role.

Median gender pay gap

This calculation shows the difference between the median rates of pay for men and women in April 2023, expressed as a percentage. In other words, if you place all the men and women in two separate lists in order of salary the median is the difference in pay between the middle ranking man and woman.

The median can help us to draw what is 'typical' as it is less distorted by very high or very low pay.

- The median hourly rate of pay for men is £20.28, a 10% increase on the previous year.
- The median hourly rate of pay for women is £14.57, a 9.2% increase on the previous year.

The difference between the two figures, our median gender pay gap, is **28.2%**, compared to 27.5% in 2022.

Proportion of men and women in each pay quartile

In 2022, the percentage of women employed in the upper quartile was 6%. This has increased to 10.2% this year with a corresponding decrease in the percentage of women in the upper middle quartile from 15.7% to 11.4%. We have also seen a marginal increase in the proportion of women in the lower middle quartile from 12.8% 2022 to 12.9% and a decrease in the lowest quartile from 36.6% in 2022 to 34.3%.

We are continuing to encourage new female entrants into the industry, where we can focus on reducing the gap through their ongoing development.

CLOSING THE GAP

Our gender pay gap was decreased, albeit marginally, with the improvements made to date proving insufficient to redress the imbalance. We are fully committed to continuing our efforts to reduce the gap.

Our priority going forward, is to attract more women into the business, particularly in upper quartile, higher paid roles while also focusing on retaining women within our business. The following actions have been set out to achieve this over the coming year:

- Continue consultation and discussion with relevant external bodies and our trade association, CECA.
- Understand and improve inclusivity and equality, by continuing efforts with our 'Great Place to Work' and 'Women in Construction and Engineering' groups.
- Promote awareness of women in construction through events, particularly with the support of our STEM ambassadors.
- Conduct exit interviews to understand women's reasons for leaving and enable trend analysis.
- Update policies and procedures to incorporate diversity and inclusion considerations.
- Report on data insights following the implementation of the forthcoming HR system.
- Train recruiters with skills to improve diversity.