I am convinced that a workplace culture which recognises merit above all else makes for a better business. I believe that opportunity and reward should never be associated with sex, age, religion or any other personal attribute. However, in an industry traditionally dominated by men, we have some catching up to do.

This is why legislation around gender pay gap reporting\(^1\) is embraced here at Crest Nicholson. The annual challenge to rigorously measure and publish gender pay gap data helps us to prioritise our equality and inclusion work based on informed decisions.

We are slowly but surely improving our gender balance – in fact, at entry level we have almost achieved a complete balance (48%). We are also closing pay gaps, but still have progress to make – in 2019, women earned 76p for every £1 a man earned.

By breaking down the data across pay bands, we see that the challenge is rooted mainly in imbalances of gender representation at a senior level. For this reason, we are targeting our equality and inclusion programmes towards the upper pay bands (see pages 6 and 7). We want to be an equally attractive employer to women and men and we want everyone to be able to access opportunities and enjoy long and successful careers with us. That’s just good business sense.

I encourage you to get in touch if you have any thoughts on how we are tackling the gender pay gap – and diversity more broadly – here at Crest Nicholson.

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1 Under UK legislation passed in 2017, any UK employer of more than 250 people, whether that’s public, private or non-governmental, must publish pay data for male and female staff every year.
Equality and reward at Crest Nicholson

Our policy is that all employees and job applicants are accorded equal opportunities for recruitment, remuneration, access to benefits, training and promotion. This includes applying equal pay, with men and women receiving the same pay rate for the same or a similar job.

Gender pay gap legislation goes beyond equal pay, by asking UK employers to report the difference in average hourly pay and bonus between men and women, across all roles. This gives us a far more detailed picture of gender equality. Also, by mandating that we disclose data by mean, median and quartile averages, we begin to understand where any issues lie and we can adjust our strategic priorities accordingly (see pages 6 and 7, as well as our Annual Integrated Report).

“\text{In uncertain economic times, the construction industry needs to work even more proactively to draw on the very broadest pools of talent. Embracing people of any gender, race, religion, age and sexuality is fundamental to this. At Crest Nicholson, we can be proud of our culture of equal opportunity. To continue progressing, we are introducing programmes that attract, support and develop women in the workplace, with a focus on senior management level.}”

\text{JANE COOKSON, GROUP HR DIRECTOR}

\text{“Mean” is the most commonly used “average” found by adding all the numbers in the set and then dividing this by how many numbers were in the set. “Median” represents a mid-point in a data set. Compared to the mean, it is less affected by very high or very low values, thus giving a better idea of a “typical value.” Quartiles are pay bands based on ranking employees from the lowest to the highest paid, split equally into four groups consisting of 1,017 employees each.”}
How we measure up: **salaries**

**AVERAGE PAY GAP**

In 2018, our mean average gender pay gap was 24% (compared to 26% in 2017). When we look at the median, the gap has widened (25% versus 22% in 2017).

**MEAN HOURLY PAY GAP**

£1 24% 76p 2017: 26%

**MEDIAN HOURLY PAY GAP**

£1 25% 75p 2017: 22%

**DATA TO ACTION**

We are targeting our efforts to increase the number of women in apprenticeship roles and in senior management positions.

See pages 6 and 7

**PROPORTION OF EMPLOYEES IN EACH QUARTILE PAY BAND**

Quartiles represent the pay rates from the lowest to the highest for our employees split into equal groups, with the percentage of men and women in each quartile.

BAND A 66.5% 33.5%

BAND B 41% 59%

BAND C 60% 40%

BAND D 82% 18%

To create the four different pay bands, we take the total number of employees and divide by them by four, with ‘D’ being the highest pay band.
How we measure up: **bonuses**

Unlike the salary gap, the bonus gap between men and women at Crest Nicholson has increased. Since we apply equal pay, we know that the issue is rooted in gender imbalances at a senior level and among apprentices.

**DATA TO ACTION**

By increasing the number of women in apprenticeship roles and in senior management positions, we in turn tackle pay and bonus imbalances.

**PROPORTION OF EMPLOYEES RECEIVING A BONUS**

<table>
<thead>
<tr>
<th>Category</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean Bonus Gap</td>
<td>60%</td>
<td>60%</td>
</tr>
<tr>
<td>Median Bonus Gap</td>
<td>21%</td>
<td>21%</td>
</tr>
</tbody>
</table>

**BONUS GAP**

The mean bonus gap in 2018 suggests a 60% deficit for women compared to men, up 8% on last year. When we look at the median however, we see a much lower bonus gap, explained further when we examine bonuses by pay band.

See pages 6 and 7.
Closing the gap

We have made solid progress towards achieving a balanced workforce for men and women. However, this report reinforces the fact that we need to do much more to attract, develop and retain women at both a management and operational level. In rebalancing gender composition, we will in turn redress our gender pay gap.

Diversity at a senior management level is a key priority within our inclusion initiatives this year. Our Talent Review Group is working hard to identify and remove any barriers that may be preventing women from advancing in their careers. A new diversity and inclusion programme for senior managers will include nationwide training on the business benefits of diversity, while our new women’s networking group will give specific advice and mentoring for women either in, or aspiring towards, senior positions.

Overall, we are asking our recruitment agencies to source a diverse range of CVs and shortlist female candidates. Our flexibility and family-friendly benefits are also conducive to a healthy work–life balance. We have reviewed our maternity and paternity policies, and increased maternity pay to 12 weeks’ full pay.

12 WEEKS’ FULLY PAID MATERNITY LEAVE

THE SITE MANAGEMENT ACADEMY

This programme offers a fully rounded approach to learning for women across Crest Nicholson. With on–site training and support to achieve formal qualifications, the number of applications continues to grow from both internal and external candidates. Currently, 15% of our trainees are female.

APPRENTICESHIPS AND TRAINEESHIPS

Closing the gender gap in this sector begins with inspiring and enabling more women to work in construction and housebuilding. We will be doing more to proactively attract women into our apprenticeship programme, which offers a combination of practical on–site learning and professional qualifications.
The path ahead

With a number of programmes building momentum in 2019, we hope further progress is being made. Our initial focus will be at an operational level, on our construction sites and within senior management.

To galvanise action and hold us to account, we have set three high-level objectives. These aim to make us an attractive employer, enabling women to progress in their careers and building a supportive working culture.

“"We have made good progress in increasing female representation at senior levels and diversity initiatives will continue to be progressed by the business through 2019."

OCTAVIA MORLEY
INDEPENDENT NON-EXECUTIVE DIRECTOR

OUR DIVERSITY GOALS

Become an employer of choice for women in construction and housebuilding.

Foster a culture of work-life balance that respects responsibilities outside of work.

Remove any barriers to career progression for women and men equally.
Declaration

I confirm that the information and data reported are accurate and in line with the UK government’s Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

Chris Tinker, Interim Chief Executive, Crest Nicholson

JOIN THE CONVERSATION

www.crestnicholson.com/about-us/integrating-sustainability