

Our Gender Pay report 2020.

Our commitment.

“Embracing inclusivity and diversity is vital. Not only can it enhance innovation, engagement and performance, more importantly, it builds a workplace where individuals can flourish and thrive. We welcome the Gender Pay Gap reporting initiative as it meets with our commitment to empower women and provide them better, equal opportunities. We know that they can make a big impact on both our firm and industry and we are dedicated to supporting this.”



JUSTIN SPENCER
Managing Partner

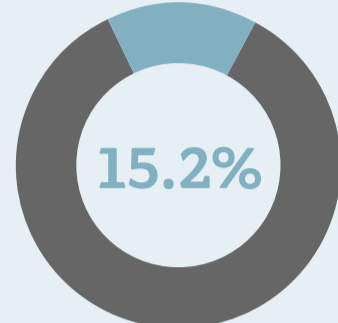


I, Justin Spencer, Managing Partner, confirm that the information in this report is accurate.

What is the gender pay report?

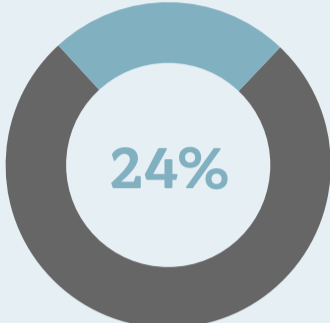
It is important to distinguish between Gender Pay and Equal Pay. Equal pay is legally required and makes sure that both genders receive the same pay for doing the same (or equivalent) job. Gender Pay, however, is the difference and comparison of the average hourly pay of men and the average hourly pay of women irrespective of the job they do, expressed as a percentage.

Our industry at a glance.



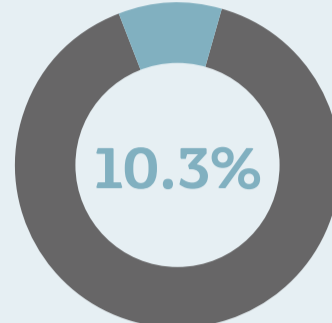
The proportion of young female undergraduates studying engineering in the UK is 15.2%. This is an increase of just 1.2% since 2012.

2012 (14%) - 2019 (15.2%)
Source: Talent 3030 Dashboard, October 2019 www.ncub.co.uk



Women holding management positions in the science, engineering, and technology industry is at 24%.

Source: WISE Campaign www.wisecampaign.org.uk



The percentage of female engineering professionals in the UK has fallen to 10.3%. This is compared to 42% of the UK's overall workforce and highlights an industry wide problem.

Source: Talent 3030 Dashboard, October 2019 www.ncub.co.uk

At Hoare Lea.

27%
Of our employees are female
2020

17%
Of those in engineering roles are female
2020

It's important to contextualise our gender split. The construction industry is historically male dominated. Our position is a reflection of this and our disproportions are acknowledged. While our proportion of female employees is lower than the general workforce UK average, our proportion of female engineers is higher than that of female engineering professionals in the UK. We understand the mix of factors that are causing both our and the industry's lack of gender diversity. To tackle this, we have implemented multiple initiatives to drive change in three key areas.

Attracting a diverse workforce.

RECRUITMENT STRATEGY

As part of the firm's commitments to increase diversity, we will be reviewing our recruitment process, taking positive steps to ensure we offer a truly inclusive experience for our candidates. Senior leaders involved in recruitment and promotion decisions have also attended unconscious bias training.

HIRING FEMALE EMPLOYEES

Women made up 33% of our total hires in the 12 months up to April 2019 and 31% for the same period up to April 2020. Looking at our female graduate intake, we hired 27.5% women in 2019 and 21% in 2020.

Promoting positive change.

STEM ACTIVITY

We have an active group of STEM ambassadors who work with local communities. This includes forging relationships with schools to introduce young students, from primary age upwards, to building services. We are designing taster days for year 12 & 13 students to show that there are alternative routes into the industry via our apprenticeship and technician routes.

FAMILY-FRIENDLY FLEXIBILITY

Since we introduced a flexitime policy, allowing our people to have more control over the hours they work, we have seen an improved score in the area of 'head space' in our engagement survey. Feedback has noted that it is contributing to a better work-life balance. We continue to review our ways of working to ensure we create an environment where everyone can flourish.

Creating a place to thrive.

DIVERSITY EQUALITY & INCLUSIVITY STRATEGY

We are committed to creating an inclusive environment where all employees feel valued and supported, and are given equal opportunity to progress. More can be done to make sure our firm is the supportive and representative one we want it to be. We are working with a group of partners and colleagues to develop our diversity, equality and inclusivity strategy.

DEVELOPMENT PROGRAMMES

The implementation of our Women's Development Programme (WDP) has been incredibly successful with 100% of the members from 2018/2019 recommending it. Positive comments highlighted the benefit of the internal networking and support it facilitated. The feedback from our 2019 cohort helped shape our Diversity & Inclusion strategy.

Our gender pay data.

Equality measures show the difference in average earnings between men and women in an organisation. The lower the number, the smaller the gap between the average pay of each gender.

To create our report for 2020, we looked at:

1. Our Gender Pay Gap
2. Our Gender Bonus Gap & Bonus Eligibility
3. Our gender split by pay quartile

Our report excludes anyone who wasn't paid their 'normal full pay' (i.e. on sabbatical or maternity/paternity leave etc) during the month of April 2020. Omitting this is mandatory. We have also compared this year's data with that of 2017, when reporting was introduced.

1. Our Gender Pay Gap.

23.7%
OUR MEDIAN[†] GENDER PAY GAP
2017: 28.5%

↓ 4.8% reduction

19.2%
OUR MEAN* GENDER PAY GAP
2017: 22.4%

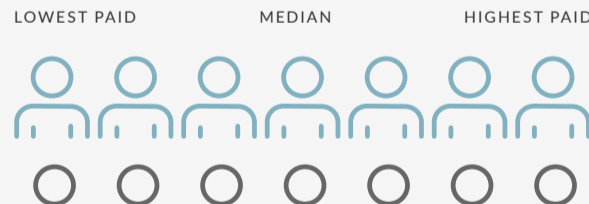
↓ 3.2% reduction

15.5%
THE UK MEDIAN[†] GENDER PAY GAP
2017: 18.1%

↓ 2.6% reduction

† **MEDIAN:** This is the most widely used statistic and is seen as the 'typical' pay gap, as it is not affected by outliers at the top or bottom of the pay distribution. It is calculated by lining up male and female employees, in order of pay from highest to lowest. The median compares the female and the male in the middle of their lines.

* **MEAN:** In addition to the median, we're also required to publish our mean pay gap, which is the average of the whole sample. It can be affected by extreme values at either end of the pay distribution, and so can be an important measure of how women are at a disadvantage in the workplace.



Source: www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/bulletins/genderpaygapintheuk/2020

2. Our Gender Bonus Gap.

We have a gender-neutral bonus system. Everyone eligible receives the same amount, the only variable is their grade. Our bonus gap is due to a higher proportion of males in our senior positions.

70%
MEDIAN[†] BONUS PAY GAP
2017: 0%

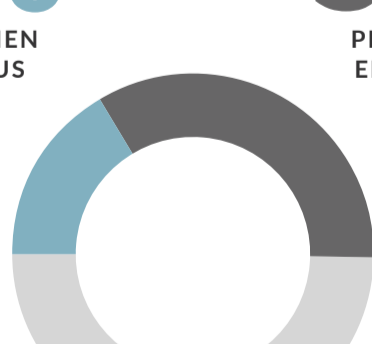
27.4%
MEAN* BONUS PAY GAP
2017: -11.1%

WHY THE CHANGE?

Our bonus scheme is gender neutral by design; bonus targets are fixed according to level, with higher levels having a larger bonus target. In 2019 our bonus scheme eligibility was widened to include more levels. With more males proportionally in higher levels they receive, on average, a larger bonus than females which is the reason for the 70% median gap.

16.6%
PERCENTAGE OF WOMEN ELIGIBLE FOR A BONUS
2017: 1.6%

33.7%
PERCENTAGE OF MALES ELIGIBLE FOR A BONUS
2017: 13.8%



3. Our Gender split, by pay quartile.

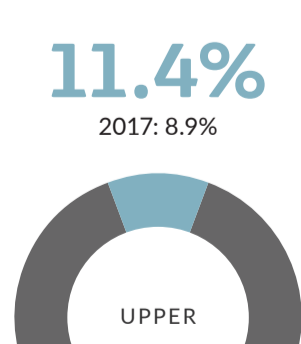
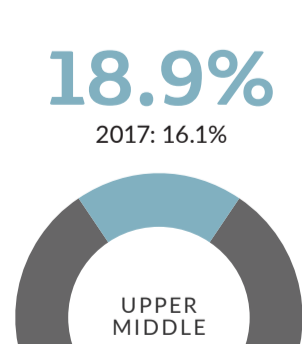
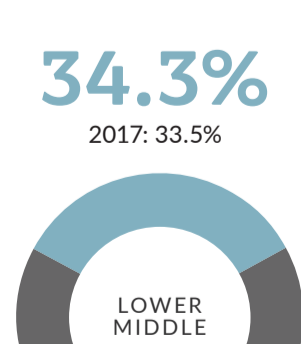
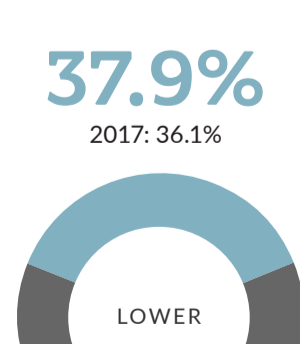
Since 2017, the biggest proportional increase of females has been in our upper pay quartiles. We expect this trend to continue over the coming years in response to our efforts in addressing the gender imbalance.

37.9%
2017: 36.1%

34.3%
2017: 33.5%

18.9%
2017: 16.1%

11.4%
2017: 8.9%



62.1%
2017: 63.9%

65.7%
2017: 66.5%

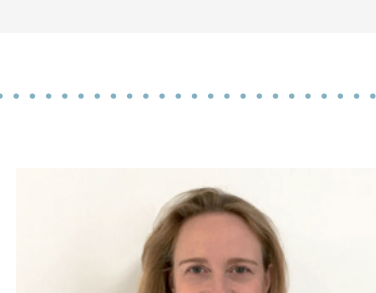
81.1%
2017: 83.9%

88.6%
2017: 91.1%

KEY
This looks at the ratio of men (grey) and women (blue) in each quartile if all our employees were ordered from highest to lowest paid and then split into four groups.

With us, it's personal.

“We are dedicated to having an environment that inspires and supports everyone. Our firm values people above anything else and we are working hard to ensure everyone feels this. We are passionate about developing a culture that promotes innovation and creative thinking, enabling our people to play to their unique strengths. We are driven by the belief that bringing together a diverse set of skills and personalities is not only right, but also enables our success.”



SARA QUAGLIENI
Director of Operations