



GENDER PAY GAP REPORT 2018

At Rydon, we deliver award winning, quality facilities built with a commitment from people who are passionate about what they do. Our aim is to improve local communities, through Housing, Healthcare and Education solutions, for the benefit of current and future generations.

Having a diverse and inclusive workforce is vitally important to us and gender equality is a key part of this. We welcome the insights our second gender pay gap report provides and are clear that our gender pay gap is driven by an under representation in roles traditionally dominated by males. Changing this takes time, and we are pleased to report some progress against our action plans in the last 12 months including increasing the number of female new hires to 30%; increasing our overall gender balance from 27% to 31% and females making up 37% of all internal promotions.

I confirm Rydon is committed to the principle of gender pay equality and the 2018 data reported is in line with mandatory requirements.

A handwritten signature in dark ink, appearing to read 'Lisa Fitzsimons'.

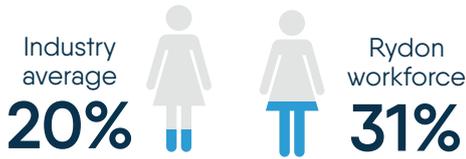
Lisa Fitzsimons
Group HR Director



THE GENDER PAY GAP FINDINGS

We continue to focus and value strategies that build our diversity footprint and have integrated an inclusive approach to both recruitment and development. Early insight has seen an increase in our female employees (27% to 31%) and 37% of internal promotions were female.

Gender balance:



What is the Gender Pay Gap?

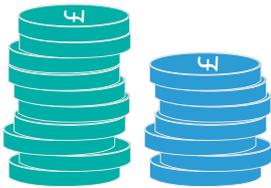
The gender pay gap compares the average pay for males and females for all roles regardless of type or level. This differs from equal pay (Equality Act 2010) which measures pay parity between men and women for the same or similar jobs.

What is the Mean?

The mean, or the average, is the overall difference between average male and female pay.

What is the Median?

The median gap is the difference between the employee in the middle of the of male & female salary range.



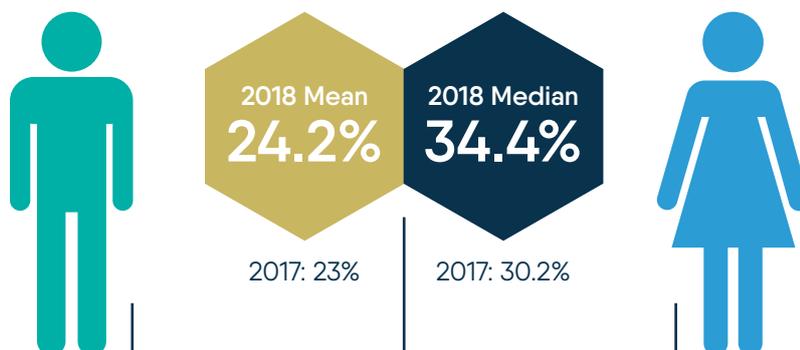
We introduced a job evaluation and grading structure to categorise, benchmark and maintain pay equity between our roles which is why we are confident our gender pay gap is driven by having a greater number of male employees in all roles as opposed to pay disparity.

We remain committed to ensuring our workforce is diverse, inclusive and our culture continues to be open and collaborative. We know we are getting things right as our 2018 engagement survey revealed 90% feel that their work is personally meaningful, and over three quarters feel proud and committed to working for Rydon.



OUR GENDER PAY GAP

The difference in hourly pay between men and women at Rydon



These figures are very similar to the UK Construction & Property sector, our gap is driven by the disproportionate distribution of men and women across the business and the type of roles they do.

EMPLOYEES BY QUARTILE PAY BANDS

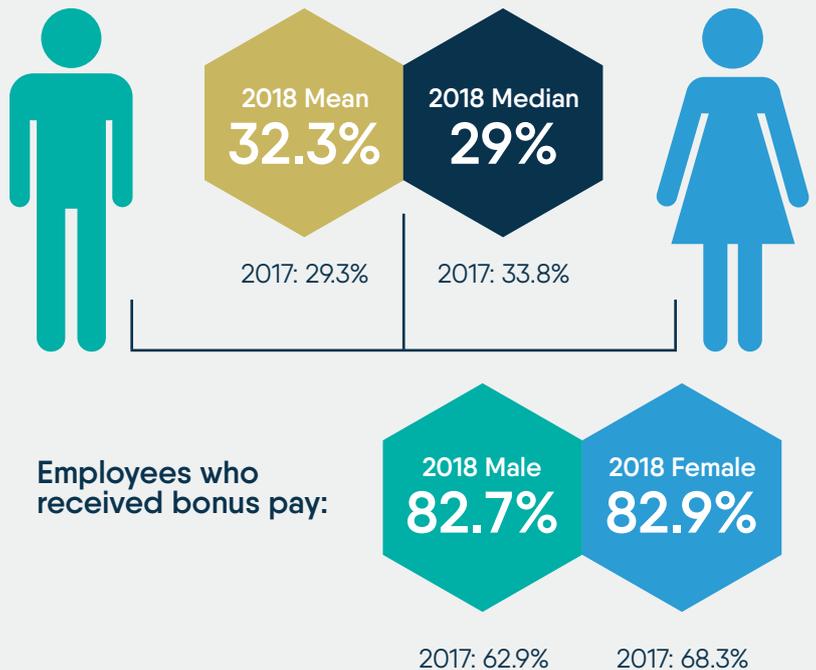
The pay quartile bands list % of male and female in each quartile when we list the rate of pay from the lowest to the highest and then divide into four equal parts. This pattern indicates, as within our industry generally, the gap is driven by the structure of our work force and less female representation across the upper quartiles. We have started to see some positive movement with the % of females increasing in the majority of grades and a significant increase of 8% in internal promotions to junior manager roles.



OUR BONUS GAP FINDINGS

The difference in bonus pay between men and women at Rydon

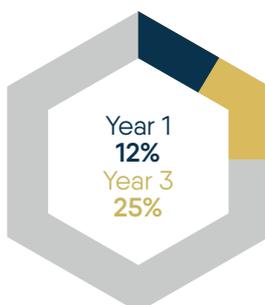
As a fair and equal employer, we are proud to report that our permanent employees, irrespective of their age, gender, or role, are eligible for a bonus and the same % is applied to all. When looking at our bonus, an increase in the proportion of women paid a bonus has positively impacted our median. The gap continues to be impacted by fewer women in senior positions where higher bonuses are paid.



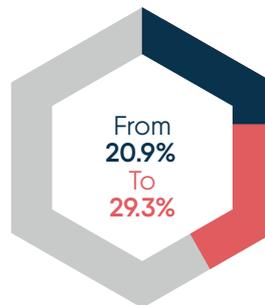
CLOSING THE GAP

Whilst we do not have an equal pay issue, we are clear on why the gap exists and focused on the measures we need to take; in fact, we are encouraged by measures taken in the last 36 months that are actively closing the gap:

Increased female board representation in the last three years:



Targeted increase in the development of our female early careers population:



Increased females in our lower middle range:



We introduced a number of initiatives to help us better understand our gender pay gap challenges; these now provide an important benchmark of progress against our aspiration to become a more diverse business.



Report demographics and track gender stay and exit interviews to the board to ensure we remain focused on our targets

Membership of Women In Construction (WIC), Women In Social Housing (WISH) and 5% Club



Fortifying our recruitment strategies to demonstrate diversity of opportunities at all levels using gender neutral language and imagery depicting female role models



Appointment of a female recruitment ambassador to focus on attracting women into construction



Mandated unconscious bias and inclusion training to support recruitment, onboarding, resource and talent planning



A career development programme targeting high potential females identified through talent and succession



Appoint a number of female Construction Ambassadors to engage with schools, colleges and universities to inspire future generations of female site managers and surveyors