

BRE

Gender Pay Gap Report 2020

Building a better world together

This report provides details of our results as at 5 April, 2020 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 fourth gender pay gap report and details our results for the period April 2019 to April 2020 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
 - Our gender pay gap results for 2020 will not be a meaningful comparison to prior years due to the actions that we took to respond to the impact of Covid-19 in April 2020. In April, a large proportion of our colleagues were either on furlough or taking voluntary pay reductions and as they were not receiving their normal full pay, they were excluded from some of the pay gap calculations in accordance with the reporting regulations. To demonstrate the impact of this, we have therefore calculated our gender pay gap metrics on a like for like basis. This is explained further on page 4.
 - We are committed to narrowing our gender pay gap and are confident from the like for like data 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.
 - You will see from this report that on a like for like basis, we are seeing very visible progress in narrowing our gender pay gap as a result of the actions that we continue to take.

Overview

- For private sector organisations, the gender pay gap calculations are made using payroll data from 5 April each year ('snapshot date'). The Gender Pay Gap Regulations require the gender pay gap to be calculated by reference to 'full pay relevant employees' on the snapshot date and using the payroll data from the month in which that snapshot date falls ('pay period'). If employees are paid less than their full usual pay in that pay period, they are not classed as full pay relevant employees and are excluded from the pay gap and pay quartile calculations but included in the bonus gap calculations.
- April 2020 is likely to have been a highly unrepresentative month for employers. Following the introduction of the Coronavirus Job Retention Scheme by the UK government in response to the Covid-19 pandemic, there were approximately 8.8 million employees on furlough leave in April 2020 with around half of those only receiving 80% of their normal pay. Therefore, a significant number of employees would be excluded from the gender pay gap calculations for the 2020 reporting cycle as they were not receiving their normal full pay, resulting in potentially radically different gender pay gap results for companies when compared to results in prior years.

Impact for BRE

- In April 2020, 247 of our colleagues were receiving less than their normal full pay, either as a result of being on furlough leave or because they had voluntarily offered to take a reduction in pay to support the business in responding to the impact of Covid-19. As outlined above, those colleagues are excluded from gender pay gap calculations (mean and median) and the % of males and females in each pay quartile. They are included in the bonus gap calculations though.
- To obtain a more representative picture of our gender pay gap for 2020, we ran an additional set of calculations which included those employees and treated them as we would have if no change had been made to their pay in April 2020. On pages 7 and 9 of this report, we highlight what our results would have been without the Covid related pay actions that were taken. This creates a more representative 'like for like' basis when reviewing our overall progress.



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 fourth gender pay report for the 12 month reporting period up to 5 April 2020.

Gender Pay Gap is different to Equal Pay



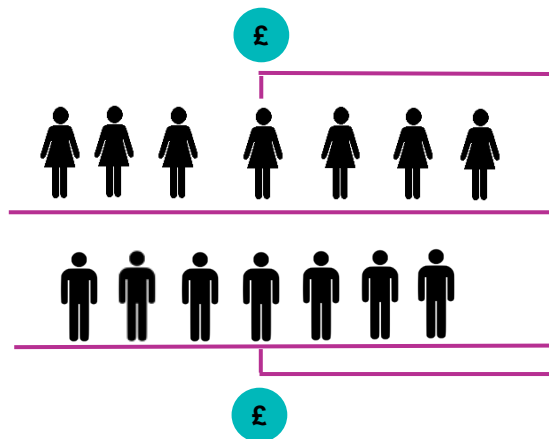
The gender pay gap shows the average difference between the earnings of women and men. It has a number of contributory factors, most of which are about the representation of women in the workplace in different industries and the jobs open to women rather than about the ways in which men and women are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

29%
(17.2% in 2019)

**MEDIAN (midpoint)
gender pay gap**

16.1%
(18.1% in 2019)

Gender pay gap in hourly pay (5 April, 2020)

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. The reported calculations shown here will have excluded employees who did not receive full pay in April 2020 as a result of being furloughed or taking voluntary pay reductions.

Removing the impact of Covid-19:

Gender Pay Gap Reporting	6th April 2019	6th April 2020 - Reported	6th April 2020 - without Covid-19 impact
Mean Pay Gap	17.2%	29%	13.60%
Median Pay Gap	18.1%	16.10%	14.8%

On a like for like basis, our mean pay gap will have reduced from 17.2% in April 2019 to 13.6% in April 2020. Our median pay gap will have reduced from 18.1% in April 2019 to 14.8% in April 2020.

We still have a gender pay gap because:

- our organisation is made up of 59% men and 41% 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 although we are seeing a gender rebalance in these pay quartiles now

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

Bonus gender pay gap
(earned in 12 months prior to 5 April 2020)

MEAN Bonus gap
= 47.6%
(60% in 2019)

MEDIAN Bonus gap = 0%
(7% in 2019)

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.*

The reason we have a **mean bonus gap** of 47.6% 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 higher payments, including a single commission payment in 2020.

The reason we have a **median bonus gap** of 0% is that the midpoint of all bonus payments made in this reporting period was the same for males and females (£1,000).

Proportion of employees who receive a bonus

(earned in 12 months prior to 5 April 2020)



7.5%
(18.3% in 2019)



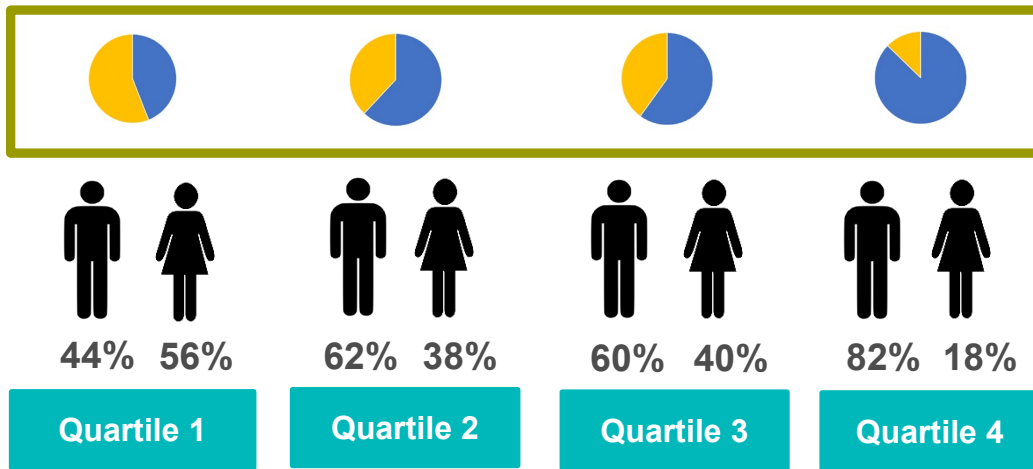
5.4%
(8.9% in 2019)

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, 2020)



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 2020).

Removing the impact of Covid-19:

Gender Pay Gap Reporting	6th April 2019	6th April 2020 - Reported	6th April 2020 - without Covid-19 impact
Quartile 1	51% M / 49% F	44% M / 56% F	47% M / 53% F
Quartile 2	61% M / 39% F	62% M / 38% F	55% M / 45% F
Quartile 3	62% M / 38% F	60% M / 40% F	60% M / 40% F
Quartile 4	80% M / 20% F	82% M / 18% F	76% M / 24% F
Overall M/F ratio:	64%M/36%F	59%M/41%F	59%/41%

Our gender pay gap predominantly stems from a greater proportion of males v females in the 4th pay quartile. However, on a like for like basis, the gender balance in this pay quartile is improving which is having a positive impact on our overall gender pay gap.

What we said we would do:

Resourcing	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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

What we've done:

- Continually assessed the language that is used in our recruitment materials and adjusted them accordingly
- Challenged the diversity of our shortlists for senior roles
- Recruited our first female CEO
- Recruited/promoted a number of females into senior roles
- Continued to embed our job family framework and associated remuneration policies
- Advertise roles with flexible working options, such as part-time work, remote working, job sharing or compressed hours, where possible
- Launched the pilot programmes of two new Leadership & Management training programmes
- Introduced an Unconscious Bias e-learning module which is available for everyone but essential for our Board, Executive Team and people managers to complete

We believe that we have the right plans in place to address our gender pay gap and that our focus needs to remain on the following:

- continuing to challenge ourselves and our recruitment partners to attract from the widest talent pools and prioritise diversity and inclusion in shortlists for all vacancies
- continuing to use gender-neutral language in our resourcing processes
- continuing to build the BRE brand and our employment proposition to attract more female candidates for roles
- continuing to advertise roles with flexible working options wherever possible and building on the work that we already do to promote our support for flexible working practices
- continuing to be consistent and transparent regarding our salary ranges, remuneration and promotion policies and processes

Specifically, during 2021, we will be considering the following as part of our overall commitment to achieving a diverse and gender balanced team at BRE:

- Further work on understanding unconscious biases so that we can take steps to address them
- Evaluating the option of a Women Returners programme
- Further enhanced analysis on other factors which contribute to our gender pay gap

Thank you

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