

Barratt Developments PLC

Gender Pay Report 2018

At Barratt we are committed to becoming a more diverse and inclusive company.

We want everyone in our company to feel like they belong here, can be themselves and know their voice will be heard. We know that a diverse team makes us a more attractive employer, creates a stronger, more dynamic business and is better for our customers.

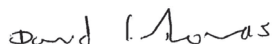
Women have historically been underrepresented in our industry. We recognise this won't change overnight, however, we are committed to identifying and addressing the reasons that may create a gender imbalance in our workplace. We are encouraged by the progress we have made in senior leadership – with a 20 per cent increase in women in management positions over the last two years – however, we recognise there is more to do.

Whilst our gender pay gap is smaller than the current average for UK business, we are committed to further action and delivering our Diversity and Inclusion Strategy and Action plan. This year we have seen progress in a number of areas including career development for high potential female employees, alongside improvements in our all-employee training and career development programmes. Our HR team have been focused on improving our recruitment processes, successfully increasing the number of female applicants for positions within the company, particularly in leadership roles. In addition, we are preparing to launch a Returners Programme during 2019, attracting female talent into our business following a career break.

Effective change will come through our ongoing commitment to building a strong and inclusive organisation in which everyone can thrive and provide the best experience for our customers.

Declaration:

I confirm that the information and data provided in this report is accurate and in line with the UK Government's Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.



David Thomas

Chief Executive, Barratt Developments PLC

What is the Gender Pay Gap?

The gender pay gap is not about equal pay. Equal pay is ensuring that men and women doing work of equal value are paid equally. We recognise the importance of equal pay for equal work at Barratt and we regularly carry out in-depth analyses of our pay and policies as a result.

The gender pay gap is the difference in the average pay and bonuses between men and women across our business.

The **mean** pay gap is the difference in the average hourly pay for women compared to men and the **median** pay gap represents the difference in hourly pay between the middle point of the female population of our business and the middle point of the male population of our business. A positive percentage indicates the extent to which women earn, on average, less per hour and a negative percentage indicates how much women earn, on average, more per hour than men. The calculation includes all elements of pay as defined in the regulations.

The same figures are recorded for bonus pay – the gender bonus gap – and for the proportion of male and female employees receiving a bonus.

“We are committed to delivering our Diversity and Inclusion Strategy with targeted initiatives in recruitment, training and development. Gender diversity is a key area of focus for us and we will continue to develop programmes to further increase the number of women in management positions and close our gender pay gap.”

Rob Tansey, HR Director

Learn more at www.barrattdevelopments.co.uk

Our Gender Pay Figures

The following data relates to all 5894 Barratt employees at the snapshot date of 5th April 2018, for the pay gap, and in the 12 months prior to that date for the bonus gap. On this date our workforce was 69% men and 31% women.

Barratt Developments UK

| Barratt Developments UK 2018 | | | 2017 ¹ | |
|------------------------------|-------|--------|-------------------|--------|
| | Mean | Median | Mean | Median |
| Gender Pay Gap | 6.0% | 3.5% | 4.9% | 0.9% |
| Gender Bonus Gap | 42.6% | -15.3% | 39.5% | -6.2% |

Proportion of employees receiving a bonus 2018



Proportion of employees receiving a bonus 2017



| Proportion of employees in each pay quartile 2018 | | | 2017 | |
|---|-------|-------|-------|-------|
| Pay Quartile | Men | Women | Men | Women |
| Quartile 1 – Upper | 69.5% | 30.5% | 67.9% | 32.1% |
| Quartile 2 – Upper middle | 69.6% | 30.4% | 72.8% | 27.2% |
| Quartile 3 – Lower middle | 71.4% | 28.6% | 71.2% | 28.8% |
| Quartile 4 – Lower | 64.7% | 35.3% | 68.8% | 31.2% |

The data above reflects the gender pay gap amongst 100% of our employees. As the current gender pay gap legislation requires all entities with more than 250 employees to report their data, we are also required to publish data for the two separate employment entities that sit within the company - BDW Trading and Barratt Developments PLC. This data is included in the appendix, however that data only reflects the gender pay gap amongst 91% and 6% of Barratt's UK employees respectively. The remaining 3% of our workforce is not covered by the legislation but we have included this in the data above in order to reflect pay across 100% of our workforce.

1. Restatement - in light of the ambiguity of some areas within the ACAS guidance and having taken new advice on our interpretation of some of these areas, we have restated the 2017 reported figures. This has resulted in minor changes to the figures reported in our 2017 Gender Pay Gap Report. That report can be found here http://www.barrattdevelopments.co.uk/~media/Files/B/Barratt-Developments/downloads/Barratt_Homes_Gender_Pay_Gap_Report_2017.pdf

What does our gender pay gap mean?

Across UK businesses the mean gender pay gap in 2017 was 17.2% and at the time of writing in 2018 is running at 17.1%. Our mean gender pay gap for 2018 is 6%.

The majority of senior roles within the upper quartile are held by men, however their effect on the gender pay gap is reduced because male employees on our sites make up some of the most junior employees within the lower quartile. We are pleased to have achieved a 20 per cent increase in women in management positions over the last two years, predominately represented in the upper middle quartile of our pay quartiles.

The year on year increase in the mean and median gender pay gap also reflects the fact that we pay certain workers in the lower quartile holiday pay a week in advance. This means that if they are on annual leave during the snapshot week period, regulations require that their pay is not included in the analysis. In 2018, a significant number of men from the lower quartile fell into this category due to the timing of Easter.

Our mean bonus gap at 42.6% reflects the fact we have a higher proportion of men in more senior roles, where bonus payments make up a larger part of remuneration.

The negative median bonus gap primarily exists because our sales team (which has a high proportion of female employees) has pay structures which include a significant bonus percentage whereas our site based build team (which has a high proportion of male employees) has a pay structure that includes a lower bonus percentage.

Taking Action – The Year in Review

Over the last 12 months we have made good progress in delivering our Action Plan within our Diversity and Inclusion Strategy. Our aim is to increase the proportion of women across all levels of our business but a key focus is building greater gender diversity within senior leadership roles.

Women in leadership - We are committed to the FTSE 100 30% Club target of a minimum of 30% women on our board - 37.5% of our board members are women - and we currently sit 22nd in the Hampton-Alexander Review of FTSE 100 Women on Boards in Leadership. As noted above, over the last 2 years we have seen a 20% increase in women in management positions and we have a number of initiatives to increase this further.

Career development - We are providing a career development programme, called Catalyst, for high potential women within the business, including a reciprocal mentoring scheme. We have seen a 25% increase in women on our management succession plan and intend to grow this further.

Targeted recruitment - We launched a targeted recruitment campaign in October 2018, which included using job boards and media such as Mumsnet and Vercida to attract more women into our business, particularly in management positions and in roles that are traditionally male, such as our construction and commercial departments. Built by Both is a network started by our Graduates, now in its fourth year. Its ambition is to inspire new starters and celebrate the achievements of professionals in Construction whilst promoting gender parity. We continue to host 'Built By Both' events designed to give women opportunities to network with key role models within the Construction industry.

Returners Programme - During 2019 we will be launching a Returners Programme, focused on attracting and supporting external female talent back into our business following a career break.

Best practice - Over the last two years we have improved our maternity, paternity and flexible working policies. Returners from maternity leave increased from 46% in 2014-15 to 60% in 2016-17 and have increased further to 66% in 2017-18. We continue to develop our family-friendly working policies and to improve our performance in this area.

Appendix

Our two employing entities

While we provide the total figures for our entire business as set out above, we are required to provide a breakdown for any separate employing entities within our business which employ more than 250 people.

Our two employing entities are BDW Trading Ltd which consists of 5376 employees across the UK and Barratt Developments PLC which consists of 333 employees.

BDW Trading covers 91% of our workforce. The median gender pay gap reflects the fact employees in the lower quartile of this entity - construction site workers - are predominantly male. Our mean bonus gap reflects the fact that within BDW Trading we have a higher proportion of men in more senior roles, where bonus payments make up a larger part of remuneration.

Barratt Developments PLC covers 6% of our workforce and consists of our head office and the Group Executive Directors. As the pay quartile figures show, the upper and upper middle quartiles are more than 70% male, which is reflected in the pay and bonus gaps in this employing entity. Whilst the percentage of women in the upper quartile has increased year on year, we still have work to do.

“Through our Catalyst Programme we are empowering our female talent so that more women enter our management teams, helping us to address the gender imbalance in our senior leadership and making us a more diverse organisation.”

Jessica White, Chief Financial Officer & sponsor of the Catalyst Programme

BDW Trading Ltd

| BDW Trading Ltd 2018 | | | 2017 | |
|----------------------|-------|--------|-------|--------|
| | Mean | Median | Mean | Median |
| Gender Pay Gap | 1.7% | 0.2% | 0.2% | -1.9% |
| Gender Bonus Gap | 12.1% | -28.1% | 12.1% | -23.0% |

Proportion of employees receiving a bonus 2018



Proportion of employees receiving a bonus 2017



| BDW Trading Ltd 2018 | | | 2017 | |
|---------------------------|-------|-------|-------|-------|
| Pay Quartile | Men | Women | Men | Women |
| Quartile 1 – Upper | 68.5% | 31.5% | 67.1% | 32.9% |
| Quartile 2 – Upper middle | 70.3% | 29.7% | 73.3% | 26.7% |
| Quartile 3 – Lower middle | 72.9% | 27.1% | 72.6% | 27.4% |
| Quartile 4 – Lower | 65.7% | 34.3% | 70.0% | 30.0% |

Barratt Developments PLC

| Barratt Developments PLC 2018 | | | 2017 | |
|-------------------------------|-------|--------|-------|--------|
| | Mean | Median | Mean | Median |
| Gender Pay Gap | 44.2% | 30.7% | 48.8% | 29.6% |
| Gender Bonus Gap | 91.4% | 49.9% | 92.2% | 55.5% |

Proportion of employees receiving a bonus 2018



Proportion of employees receiving a bonus 2017



| Barratt Developments PLC 2018 | | | 2017 | |
|-------------------------------|-------|-------|-------|-------|
| Pay Quartile | Men | Women | Men | Women |
| Quartile 1 – Upper | 72.4% | 27.6% | 76.0% | 24.0% |
| Quartile 2 – Upper middle | 71.8% | 28.2% | 71.6% | 28.4% |
| Quartile 3 – Lower middle | 55.5% | 44.5% | 54.1% | 45.9% |
| Quartile 4 – Lower | 37.0% | 63.0% | 38.7% | 61.3% |