

Gender Pay Gap Report 2018



UK Managing Director Statement

One year ago, our industry was forced to grasp the nettle. Unsurprisingly, it caused us initial pain, but it was necessary in order to get the ball rolling towards progress.

Reporting our too-wide gender pay gaps had the immediate effect of much appropriate noise-making and vocal acceptance of the change needed.

Across GVA, we enthusiastically set about transforming the way we attracted, developed and retained women at all stages of their career. We have worked incredibly hard to achieve great things in this area.

Improving the support we provide to working families has been one of our highest priorities, the pinnacle of our efforts marked by the introduction of our new maternity policy on 1 January 2019 – which has seen us become the first property firm to financially enable new mums to take a full year of paid maternity leave. This will have a real and tangible impact on the daily lives of working families and encourage women to build their careers with us, safe in the knowledge that they are valued and supported.

We have also increased our Smart Working capabilities, so that our people can choose how, where and when to work. Our policy acknowledges how increasingly difficult it is to separate work and personal commitments into distinct time slots. We simply provide people with the tools to balance their daily commitments.

These initiatives, and others that we are working on, are aimed at ensuring we are providing an environment where talented people regardless of background or gender can thrive throughout their whole careers.

This, our second gender pay gap report, is not a piece of necessary administration. It's how we hold ourselves accountable and tell our staff, present and future, how we are continuing to make the business better and stronger for them. Here we provide details about our progress against the commitments we made to our people 12 months ago.

I was genuinely excited to open what I called our end of year school report, to find out how much we have managed to move the needle 12 months on.

However, like many others in my position I suspect, when I received the numbers that reflected our progress in this area, I felt deep disappointment that while the dial has moved, it's not quite as far as I had hoped, and again, it struck me how far our industry has to go. We are all playing the long game, and need to keep plugging away at this, month after month, year after year.

A year ago, I said that we have crossed the Rubicon, and I stand by this. There's no going back, and we will continue to focus on creating an environment where the most talented people in our industry want to work, regardless of gender, ethnicity, race or background.



Gerry Hughes
CEO

Highlights

We are the first property firm to financially enable new mums to take a full year of paid maternity leave.

Improving the support we provide to working families is a high priority for our business. Our new maternity policy, introduced on 1 January 2019, sees Avison Young UK become the first property firm to financially enable new mums to take a full year of paid leave. The new maternity policy aims to give working mothers the opportunity to achieve their personal, family and professional ambitions, while at the same time ensuring we continue to attract and keep the best talent, providing an environment where people want to work.

We have introduced a Smart Working policy

Empowering people to deliver their best work is a matter of trust. This is central to our philosophy and is demonstrated by the two new approaches introduced since our last report.

Choosing how, where and when to work is open to everyone at Avison Young UK. Smart Working acknowledges how increasingly difficult it is to separate work and personal commitments into distinct time slots. Our people are trusted to balance, or integrate, their daily commitments.

Our ongoing commitment

Our commitment to fair treatment of all our people remains paramount. Whilst this report is focused on gender, everyone in our organisation, regardless of their personal choices or background, are treated as individuals and encouraged to reach their potential.

Our people are enabled and empowered to make a difference – to our clients and to our communities, as well as to our personal achievements and well-being.

In our first gender pay gap report in April 2018 we committed to tackling head-on the gender imbalance within our business and the sector as a whole. This remains fundamental to our philosophy and is a key focus within our strategy.

We are delighted to have made significant progress on the initiatives we committed to in April 2018.

Attract and retain female talent

- ✔ Gender-balanced appointment panels
- ✔ Gender-neutral selection screening through improved information technology
- ✔ Transparent pay for performance reward mechanisms
- ✔ “Working together” forum to hear the views of our people and action their best ideas
- ✔ Contemporary practices to support changing work/life priorities
- ✔ Leaders who focus on outcomes and encourage agile working, evolving from flexible practices in place since 2014

Develop and progress female talent

- ✔ Structured resource, talent and succession planning introduced across the organisation
- ✔ Learning programmes that proactively nurture female talent
- ✔ Mentoring for men and women to minimise unconscious bias in all decision-making
- ✔ A common purpose that inspires leaders and connects our people to do their best work
- ✔ Unbiased language used in all our policies, procedures and collective communications

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Our results

In the year to 5 April 2018 (the reporting point) the total workforce employed by GVA Grimley Ltd is 42% female and 58% male. This shows a 2% increase in the number of females who make up our total workforce compared to the same point a year before.

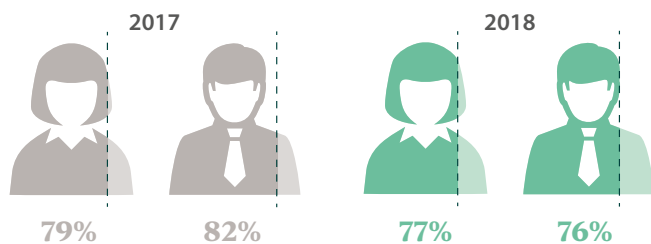
Analysis of hourly rates shows an improvement in the pay and bonus gap between men and women over the same period.

Mean gender pay gap is the difference between the average pay of men and women within the organisation.

Median gender pay gap is the difference between the midpoints of pay made to men and women as two distinct groups. Where there is a higher percentage of men in the most senior roles (typically with the highest rates of pay) and a greater proportion of women in lower-level positions, the median gender pay gap will be high.

| Gender pay gap | 2017 | | 2018 | |
|----------------|-------|--------|-------|--------|
| | Mean | Median | Mean | Median |
| Pay gap | 43.1% | 43.2% | 41.2% | 41.2% |
| Bonus gap | 76.6% | 75.0% | 64.9% | 72.5% |

Bonus proportions



A high number of our employees receive a bonus. This fell slightly overall and saw the percentage of females awarded a bonus edging fractionally ahead of males.

There is a notable shift in our bonus pay gap where the mean closed by 11.7%. This reflects our pay for performance philosophy and recognises the contribution of high-performing talent within our organisation.

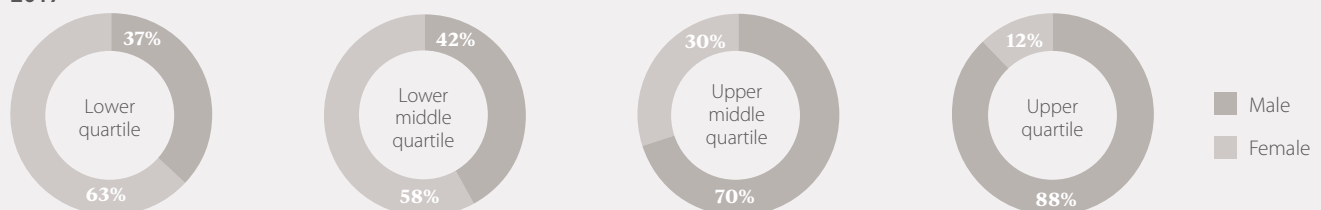
Pay distributions by quartile

Our pay distribution by quartile still reflects the fact men represent a higher percentage of the upper quartiles than women and vice versa in the lower quartiles.

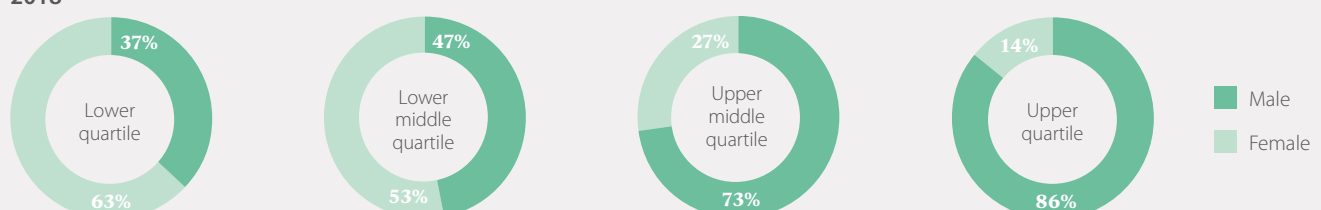
At the reporting point there was a 2% increase in the number of females at the upper quartile and a 5% increase in the number of males at the lower middle quartile. These small movements in population explain the improvement in our pay gap between 2017 and 2018.

Pay distributions by quartile

2017



2018



HR Director statement

There is no quick fix or silver bullet that can close the gender pay gap in our organisation, across the sector or within the wider UK workforce. Attracting and/or appointing female, or other under-represented talent to management and leadership roles needs a long-term, multi-faceted approach.

Our approach to the wider challenge of inclusivity is a mix of regulatory and strategic activity. Ticking the box on regulatory requirements is a given. Equal pay assessment is integral to our annual compensation review and governed by an impartial Remuneration Committee. Pay for performance rewards the most effective teams and individuals, whatever their role or background.

Of greater focus is the position of our Brand Purpose. What we stand for, how we are viewed by existing employees and future workforce, and being honest with ourselves about what needs to change is imperative. Introducing a market-leading maternity policy and Smart Working policy in the last year are a welcome step in the right direction.

And, flexibility is key. Work activity is changing and with it, required skill sets will evolve. This will influence the type, shape and engagement of our future workforce. It also offers the greatest opportunity to create the diversity of that workforce.

Ultimately, our goal is to be a place where every role matters and everyone can succeed in their chosen career path.



Nicola Harris
Director, HR

Changing the Face of Property

As an existing member of Changing the Face of Property our participation increased significantly in 2018. A key purpose of the group is to attract future talent that reflects more accurately the diverse workforce available to us in the UK.

As an industry-body, after a long, hard look in our own "back-yard", we are taking collective responsibility to increase representation of gender, BAME and socio-economic groups within our sector. Challenging targets will be monitored regularly and we will hold ourselves accountable for the results.

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In our graduate scheme, female candidates continue to excel against their male counter-parts with 42% of offers being made to women despite only making up one third of total applicants

What is gender pay gap reporting?

The gap in gender pay is not the same as equal pay.

Gender pay gap (GPG) reporting identifies the difference between the average pay of all men and all women in an organisation. A gap can occur for a number of reasons. For example, if there are more men than women in senior roles, the overall average pay of men will be higher than the overall average pay of women in the same organisation.

GPG is not an indication of inequality between the salaries of men and women who do the same or comparable work – this is equal pay. Avison Young is committed to equal pay for equal value work regardless of gender or any other protected characteristics.

