



Gender Pay Gap Report

SIG plc 2020

Introduction

We remain committed to creating a fair and inclusive workplace and a culture where individual contributions are actively encouraged to the benefit of the business and our people. We are also committed to ensuring that we extend this same principle to all our customers, suppliers, business partners, and the communities in which we operate.

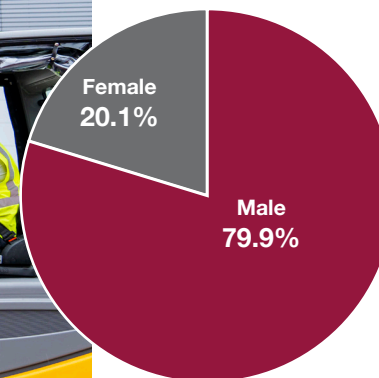
The construction sector as a whole typically employs more men and our data tells us that our employee population is reflective of this, although the proportion of female employees has increased compared to 2019. We recognise that diversity of skills and experience benefits us now and in the future, and are taking positive steps to further progress our approach to diversity and inclusion in 2021.

We welcome gender pay gap reporting as it encourages businesses to review and develop their approach to diversity. This is valuable whether the gender pay gap results identified are weighted towards male or female employees.

We have chosen to set out our gender pay gap results for both SIG Trading Ltd (which we are required to report under the regulations) and for SIG plc as a whole within the UK (i.e. including employing organisations with less than 250 employees).



The gender balance at SIG



What is the gender pay gap?

Gender pay gap and equal pay

The terms 'gender pay gap' and 'equal pay' are often used interchangeably but have different meanings:

- **Gender pay gap:** This is the difference between the overall pay for all women and all men in an organisation, across all roles and seniority levels.
- **Equal pay:** The Equal Pay principle, set out in the Equality Act 2010, is that men and women performing equal work must receive equal pay, unless there is a material reason (not linked to gender) that justifies a difference.

Mean and median (used for pay and bonus)

- **Mean** is the average pay value (calculated by adding together all pay/bonus values and dividing by the number of employees).
- **Median** is the middle pay value if you lined up the pay/bonus values from high to low (or vice versa).

Proportion receiving a bonus

- The percentage of employees of each gender who received any amount of bonus pay.

Proportion in each pay quartile

- Similar to the median, the pay values are lined up from the highest to the lowest paid and then split into four equal parts (quartiles).

The Pay Gap Explained

SIG differs from the wider construction industry and national picture in that the mean and median hourly rate for female employees is higher than that for male employees.

Taking into account that a pay gap in favour of female employees is still a pay gap, at -11.4% it continues to compare favourably to national figures (14.6%) and to subvert construction industry norms (6.5%).

Due to the timing of the snapshot date, a proportion of employees were furloughed on reduced pay, decreasing the population who were full-pay relevant for pay gap reporting purposes. (Those who are not full-pay relevant are excluded from the pay gap calculations but not from the bonus gap calculations). This impacted 19.4% of male employees and 14.1% of female employees and, as a result, this year's data does not represent as large a proportion of employees as in years unaffected by Covid-19.

In 2020, the mean pay gap has increased and continues to show higher female pay. This is due to changes to the business structure, one outcome of which has been that the relative proportion of female employees who hold some of the highest paid roles has increased.

The median pay gap has also increased and continues to show higher female pay. This is also due to changes to the business structure, combined with temporary changes which formed part of SIG's Covid-19 response. SIG's Covid-19 response was driven by the dual aims of ensuring the safety of our valued employees and preserving jobs.

SIG Trading Ltd and SIG plc UK continue to show the same pay gap trends and the populations are distributed similarly between the quartiles.

Leadership at SIG

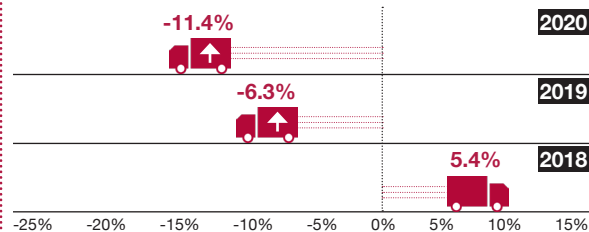
There continues to be a strong representation of female employees in leadership roles and we are proud that gender is not a barrier to undertaking senior roles at SIG.

The gender balance at SIG (79.9% male and 20.1% female) means that the proportions of female employees in the UK leadership team and in the two highest quartiles are larger than would be expected.

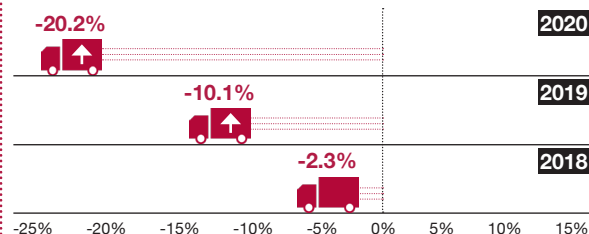
30.4%
of the UK
leadership team
were female in
2020

Pay (SIG Trading Ltd)

Mean Pay Gap



Median Pay Gap

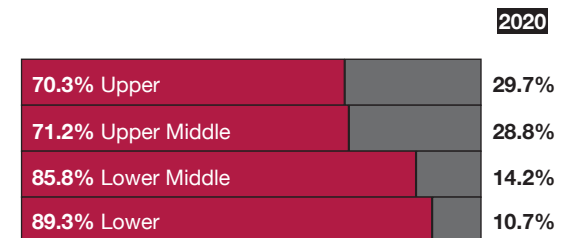
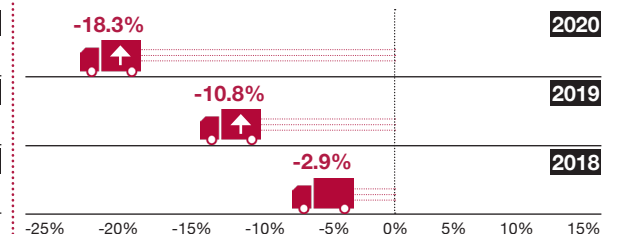
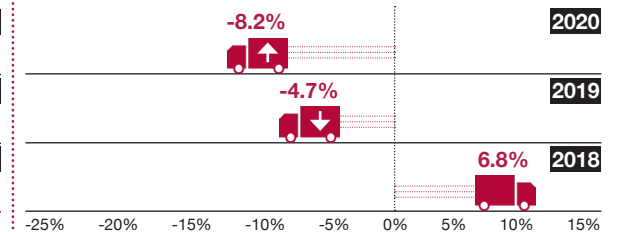


Pay Quartiles



♂ Male ♀ Female

Pay (SIG plc UK)



The Bonus Gap Explained

Key factors contributing to the reductions to the bonus gaps are changes to the business structure and to the types of bonuses paid in 2020.

The mean and median bonus gaps have decreased, and the median bonus amount paid to female employees is now higher than that paid to male employees. There continues to be a higher proportion of female employees than male employees receiving bonus pay, predominantly because a significant proportion of our male workforce are in roles which do not typically attract a bonus in the marketplace.

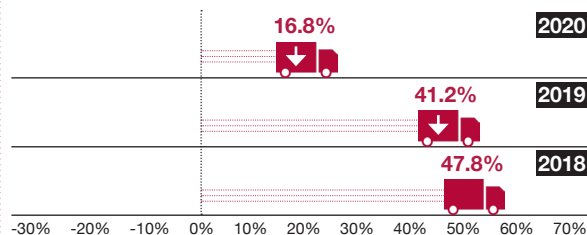
Unlike pay, bonus gaps are impacted by working hours as the calculations are not pro-rated. This means that employees who work part-time will not be compared to full-time employees on an equal basis. As more women work part-time than men, this is likely to increase the bonus gap. However, where possible, we encourage flexible working as it benefits employees and the business, recognising that it could have a negative effect on our bonus gap figures.

At SIG, 21.5% of women and 1.2% of men work part-time, and if the bonus payments were pro-rated to working hours, the mean bonus gap for SIG Trading Ltd would reduce to 6.4% (from 16.8%).

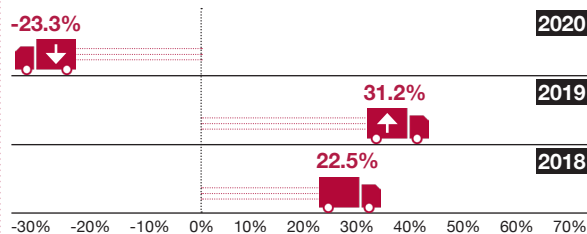
In 2020, the SIG Trading Ltd and SIG plc UK bonus figures continue to follow a similar trajectory.

Pay (SIG Trading Ltd)

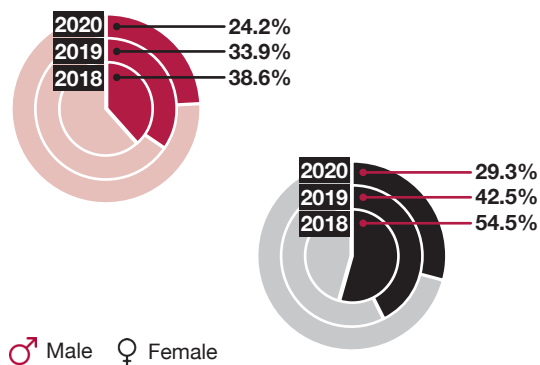
Mean Bonus Gap



Median Bonus Gap

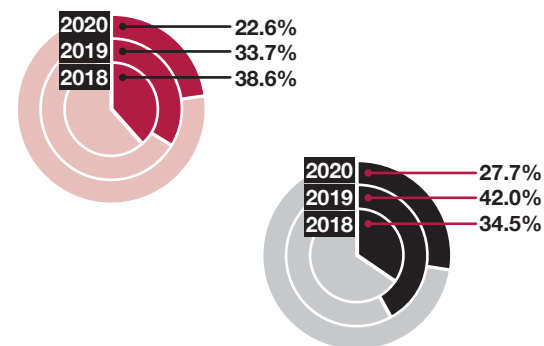
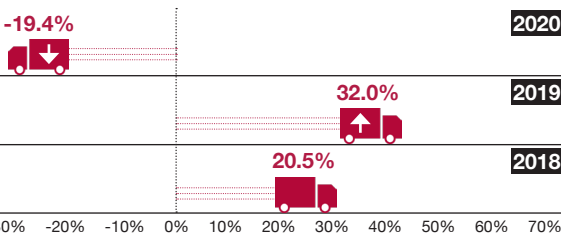
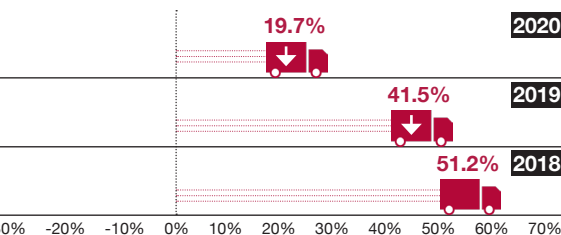


Proportion Receiving Bonus



♂ Male ♀ Female

Pay (SIG plc UK)



Action Plan

Our commitment to ensuring a fair and inclusive workplace extends beyond gender, so our action plan has a broader focus on diversity.



The key activity to support these objectives throughout 2020 was to set in place some foundations which allow us to assess, monitor and raise awareness:

- Measurement tools have been developed covering key data on gender, age, disability, ethnicity and by role, function and salary. This information is shared with senior leaders to increase understanding of the demographics across the business.
- A new Group Diversity and Inclusion policy was launched, supplemented by online training.
- Our approach to pay benchmarking is underpinned by a robust methodology and is consistently applied for new roles joining the organisation.
- Our new HR systems give us access to a wider range of data and enhanced reporting capability so that we can more effectively analyse our data.

Our key areas of focus continue to be:

Attraction and Selection

We will build our brand as a global employer of choice and develop diverse and inclusive approaches to attract and secure the best talent.

Retention

We will think differently about our ways of working to make SIG an inclusive and attractive employer.

Development

We will develop opportunities for all to enable long-term development, progression and succession planning.

We are committed to supporting and promoting diversity and inclusion across all areas of the business, at all levels.

Executive Statement



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At SIG we recognise that diversity brings the experience and expertise which will enable our business to thrive. Our plans for 2021 will enable us to build on our progress so far and I am pleased that diversity and inclusion continue to be of critical importance to our business strategy.

Steve Francis
CEO

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I confirm that the information contained within this report is accurate and has been prepared in accordance with the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.