

PERSIMMON GROUP GENDER PAY GAP REPORT 2018

The Gender Pay Gap Reporting Requirements

The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 ("the Regulations") require all UK employers with over 250 employees to publish a range of data to provide a measure of the difference in the average pay of men and women within their organisation. Employers are required to measure six key metrics, which are calculated on an annual 'snapshot date' of 5 April. This is Persimmon Homes Limited's second report, which relates to the snapshot date of 5 April 2018.

The six key metrics employers are required to measure are:

- The difference in mean hourly rate of pay of men and women, expressed as a percentage;
- The difference in median hourly rate of pay of men and women, expressed as a percentage;
- The difference in mean bonus pay of men and women, expressed as a percentage;
- The difference in median bonus pay of men and women, expressed as a percentage;
- The proportion of men and women who received bonus pay; and
- The proportion of men and women in each of the four quartile pay bands.

The Persimmon Group and the Gender Pay Gap Report

At the second snapshot date of 5 April 2018, the Persimmon Group had 4,776 employees; however it only had one employing company with over 250 employees, which was Persimmon Homes Limited.

As it did last year, the Group is reporting the gender pay gap for Persimmon Homes Limited in accordance with the requirements of the Regulations, but in addition we are also reporting a consolidated gender pay gap for the whole of the Persimmon Group, which includes Persimmon Homes Limited, plus Persimmon Plc and Space4 Limited, both of which are not required to report under the Regulations.

In the year to 5 April 2018, 40% of the awards under the Group's 2012 Long Term Incentive Plan ("the 2012 LTIP"), which had 133 participants at 5 April 2018 across the Persimmon Group, vested and the majority of the participants exercised a proportion of their awards in accordance with the 2012 LTIP scheme's rules. The 2012 LTIP was a long term plan, originally expected to last 10 years with awards vesting in two tranches, rather than vesting in parts annually. The participants in the LTIP scheme were all senior managers in the the Group and in the upper quartile, which is 84% male. In addition to this, of the LTIP participants in the Company who exercised their options in the year, 87% were male. The calculation of bonus for Gender Pay Gap purposes includes the value of 2012 LTIP awards exercised. As a result, bonus metrics used in the reporting of the Gender Pay Gap in 2018 do not represent the bonus metrics for a typical year.

To enable a clearer comparison with our first report, we have illustrated the bonus metrics for 2018 with the value of the 2012 LTIP included and excluded.

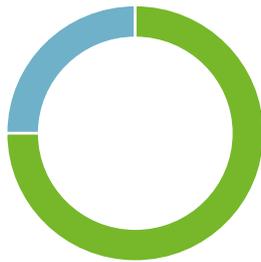
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Persimmon Homes Limited

Our key findings

Gender Balance:



Male:	75%
Female:	25%

No change from 2017.

Hourly Rate of Pay:

	Gap 2018	Gap 2017
Difference in Mean Hourly Rate Of Pay	15.1%	14.1%
Difference in Median Hourly Rate Of Pay	9.8%	9.0%

Quartiles	Male 2018	Female 2018	Male 2017	Female 2017
Lower	66.3%	33.7%	65.6%	34.4%
Lower Middle	78.8%	21.2%	78.8%	21.2%
Upper Middle	73.0%	27.0%	73.8%	26.2%
Upper	84.4%	15.6%	81.5%	18.5%

The quartiles show the percentage men and women in each quarter of our payroll.

Bonus Pay:

	Gap 2018	Gap (Excluding LTIP) 2018	Gap 2017
Difference in Mean Bonus Pay	62.0%	-9.2%	-3.5%
Difference in Median Bonus Pay	2.9%	2.8%	9.3%

Percentage of Male and Female Employees in receipt of a bonus:



Male: 76.9% (71.9%) Female: 83.5% (81.0%)

Persimmon Homes Limited ("the Company") - Overview

Persimmon Homes Limited employs the majority of staff in the Persimmon Group (93%) and includes all the employees who are engaged in our housebuilding activities; ranging from site-based operatives and trades people to a wide range of administrators, technical staff and senior management in our 30 regional offices. The overall gender balance for the Company remained constant compared to last year and we recognise that this imbalance in the number of men and women throughout the organisation is the primary cause of the gender pay gap. Inevitably people in more senior positions receive the highest rates of pay and the Company has a tradition of promoting from within, which together with the fact that the construction industry has historically been more attractive to men than women, has led to the highest proportion of males in the Company occurring in the upper quartile.

While the median pay gap for employees has increased slightly to 9.8%, we believe we will make progress towards improving this ratio in the longer term (see Our Activities, below).

As mentioned above, the exercise of awards under the 2012 LTIP in 2018 has had a significant effect on the bonus metrics, hence the large difference in the mean bonus pay of 62.0% compared to -3.5% in 2017.

However, if the value of the 2012 LTIP is excluded from the calculations, the difference in mean bonus pay in 2018 is -9.2% compared to -3.5% in 2017, demonstrating that women are, on a mean average, paid more bonus than men. The median bonus also reduced from 9.3% in 2017 to 2.8% in 2018. The bonus gaps (excluding LTIP) reflect the fact that the remuneration of our sales teams, which are predominantly female, contains a high percentage of bonus. This compares to our site-based construction teams, which are predominantly male and contain some of the most junior roles in the lower quartile. Site-based employees have a remuneration structure whereby bonuses are not paid to everyone and where they are, their value as a proportion of total earnings is lower. However, we are pleased that more of our employees, both male and female have received bonus payments this year.

Employees at the snapshot date:

4,430

This is a 6.3% increase on last year (4,169). Persimmon Homes Limited employees represent 93% of Persimmon Group employees (2017: 93%).

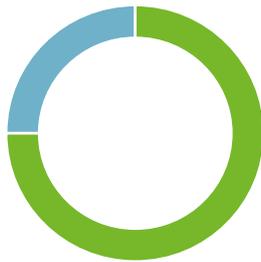
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The Persimmon Group

Our key findings

Gender Balance:



Male:	75%
Female:	25%

No change from 2017.

Hourly Rate of Pay:

	Gap 2018	Gap 2017
Difference in Mean Hourly Rate Of Pay	16.5%	16.2%
Difference in Median Hourly Rate Of Pay	8.0%	7.9%

Quartiles	Male 2018	Female 2018	Male 2017	Female 2017
Lower	67.6%	32.4%	66.5%	33.5%
Lower Middle	77.3%	22.7%	77.9%	22.1%
Upper Middle	72.3%	27.7%	72.8%	27.2%
Upper	83.8%	16.2%	81.6%	18.4%

The quartiles show the percentage of men and women in each quarter of our payroll.

Bonus Pay:

	Gap 2018	Gap (Excluding LTIP) 2018	Gap 2017
Difference in Mean Bonus Pay	68.4%	13.1%	17.7%
Difference in Median Bonus Pay	4.3%	4.2%	12.6%

Percentage of Male and Female Employees in receipt of a bonus:



Male: 77.8% (71.5%) Female: 83.6% (81.5%)

The Persimmon Group ("the Group") - Overview

The consolidated results for the Persimmon Group add 346 employees from Space4 Limited and Persimmon Plc. Space4 is a manufacturing company producing timber frame components for use on Persimmon's new home developments; Persimmon Plc employs a range of employees who provide administrative, technical and functional support to the Persimmon Group. Persimmon Plc also employs the Executive Directors and the most senior managers within the Group, who are predominantly male.

The consolidated results show the majority of males within the Group, with just 25% of the workforce being female, which reflects the position in Persimmon Homes Limited.

The mean hourly rate of pay has increased very slightly, up by 0.3% from 2017.

Once more the value of the 2012 LTIP has influenced the mean bonus score, which has increased to 68% due to the fact that the recipients of awards under the LTIP scheme with the highest value, are employed by Persimmon Plc and their bonus earnings are included in the consolidated Group report. However, as with Persimmon Homes Limited, when the value of the 2012 LTIP is excluded, both the mean and median bonus pay ratios are lower than in 2017. This is consistent with the fact that bonuses are enjoyed by a greater proportion of female employees across the Group and their payment is applied consistently and according to job role, therefore avoiding any gender bias.

The Gender Pay Gap - Our Activities

As we noted in our first report, reducing the gender pay gap will require a concerted commitment over an extended period of time. In the last year the Company has recognised the extent of this challenge and to accelerate our activity has invested significantly in the Group HR Department, including the appointment of additional resource in our Group HR Management team and the development of an in-house Learning & Development function. Our newly appointed Group Training Manager and Learning and Development Manager have amongst their key objectives the development of initiatives that will support our aim to increase the number of females in the workforce. Whilst this will be at all levels, their particular brief will be to develop opportunities to encourage and enable women to progress to more senior roles in the organisation.

We want to increase the number of female applicants across the whole of our business, however it is within salaried job roles in our offices where we see the greatest potential for success. Site based construction roles, which include site management and a wide range of weekly-paid skilled and non-skilled operatives' roles, still tend to be dominated by men. We encourage applications from women for these jobs, but as the housebuilding industry has evolved we have seen the introduction of a variety of new roles that are predominantly office-based and are proving to be more attractive to female applicants. These include opportunities in Sales, Land & Planning and technical disciplines such as Quantity Surveying and Purchasing. As an illustration of progress; excluding the site-based roles, we recruited 22% more women than men into salaried positions into the Group during 2018.

Employees at the snapshot date:

4,776

This is a 6.9% increase on last year (4,464). It represents 100% of Persimmon Group employees.

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Our overall male to female ratio is 75:25, but when considering just our salaried employees it is 59:41.

The opportunities to increase female representation at senior levels do not occur as frequently as we would like, but another illustration of the progress made this year is that the Group was pleased to be promote a female director to take charge of one of our regional operating businesses. This promotion is an excellent example of the Group's successful track record of promoting from within. This policy has contributed in no small way to the success of the Group, but in the context of gender pay and narrowing the gap over time, it is important that we do not just concentrate solely on senior roles and continue to encourage applications from females for our apprenticeships and training programmes at all levels and in all disciplines. Our new training team has already expanded our apprenticeship strategy to include professional and technical qualifications that have greater appeal to females than the traditional site-based apprenticeships such as bricklaying and joinery.

Another initiative during the year was the establishment of a Diversity Panel consisting of the most senior female employees across the Group. Their remit was to consider how the Group could attract more women into the business and what, in the Panel's view could be done to improve their chances of progressing to a senior role once they are in the organisation. Again we recognise that this will take a long term commitment, but the Panel meets on a regular basis and as a direct result of their recommendations the Group has reviewed and improved flexible working arrangements across our offices and a programme of school engagement, led by female staff from our operating businesses, will be rolled-out to support the diversity of our apprenticeships and training programmes.

The Group has also launched an Employee Engagement Panel, which will improve the level of engagement with the workforce.

Comprised of a broad cross-section of employees to ensure that all parts of our business are represented, all our employees can see there is someone on the Panel who will be able to represent their views. The outcomes from the Panel meetings will be reported to the Board and to the Corporate Responsibility Committee. A Board member will attend each Panel meeting to provide context and Board feedback.

The male dominance in housebuilding is not unique to Persimmon and we continue to be actively involved with the Home Builders' Federation and particularly the Home Builders' Skills Partnership, which has diversity and inclusion at the forefront of its activities; including the promotion of opportunities for females across the industry from entry level to existing skills development, which Persimmon continues to embrace.

Accuracy Statement

I confirm that the gender pay gap data contained in this report is accurate and has been produced in accordance with the Regulations.

Richard Latham
Group HR Director

25 February 2019