

## **Persimmon and the Gender Pay Gap reporting requirements**

This is the fifth Gender Pay Gap Report published by Persimmon and it relates to the “snapshot date” of 5 April 2021.

As we did last year we shall report separately on the gender pay gap for Persimmon Plc, in addition to that of Persimmon Homes Limited. Additionally, and for year on year comparison, we shall also report on the gap for the Persimmon Group, which includes data from Persimmon Plc, Persimmon Homes Limited and Space4 Limited, a wholly owned subsidiary that employs less than 250 people.

In accordance with The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 (“the Regulations”) we have measured six key metrics calculated on the snapshot date.

Those metrics 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 Long Term Incentive Plan**

In 2012, the Company introduced the Persimmon Long Term Incentive Plan (“the 2012 LTIP”), which was a long-term incentive scheme with awards vesting in two tranches, with 133 participants who were senior managers in the upper quartile of Group employees.

Since 2018 we have reported our bonus metrics both with and without the value of the LTIP, because the exercising of their awards by the participants in the Scheme over subsequent years did not represent the Company’s typical bonus metrics.

A small number of participants in the scheme exercised their outstanding options during the year, however we expect this to be the last year we will report the effect of the 2012 LTIP on the bonus metrics.

# Gender Pay Gap Report 2021

continued

## PERSIMMON HOMES LIMITED

Persimmon Homes Limited employs all the directly employed staff who are engaged in our house building activities, which comprises managers, operatives, trades people and sales staff on development sites, plus a wide range of senior managers, technical professionals and administrators in our 31 regional offices. These employees are a mix of salaried and weekly-paid.

### Employees at the snapshot date

# 4,581

This is a decrease of 5.1% on last year (4,830) and accounts for 93% of Persimmon Group employees (2020: 93%)

### Hourly rate of pay

	2021 Gap	2020 Gap
Difference in Mean Hourly Rate of Pay	17%	16%
Difference in Median Hourly Rate of Pay	18%	13%

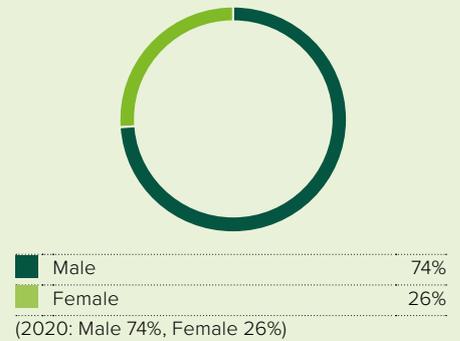
Quartiles	2021 Male	2020 Male	2021 Female	2020 Female
Lower	57%	67%	43%	33%
Lower Middle	79%	70%	21%	30%
Upper Middle	80%	75%	20%	25%
Upper	82%	83%	18%	17%

The quartiles show how many men and women are in each quarter of our payroll.

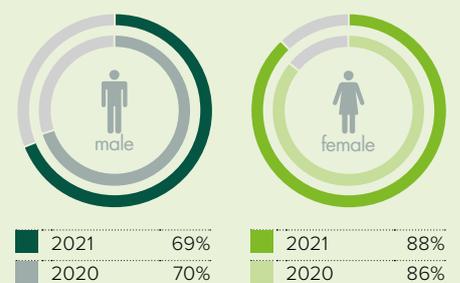
### Bonus pay

Quartiles	2021 Gap Excl. LTIP	2020 Gap Excl. LTIP	2021 Gap Incl. LTIP	2020 Gap Incl. LTIP
Difference in Mean Bonus Pay	-9%	-6%	-6%	N/A
Difference in Median Bonus Pay	24%	20%	24%	N/A

### Gender balance



### Percentage in receipt of bonus



## PERSIMMON PLC

Persimmon Plc employs a range of employees who provide professional, technical and administrative support from the centre, to the whole of the Persimmon Group. It also employs the executive directors and the most senior managers within the Group, who are predominantly male. All the people employed by Persimmon Plc are salaried employees.

### Employees at the snapshot date

# 329

This represents 6.7% of Persimmon Group employees

### Hourly rate of pay

	2021 Gap	2020 Gap
Difference in Mean Hourly Rate of Pay	40%	41%
Difference in Median Hourly Rate of Pay	23%	33%

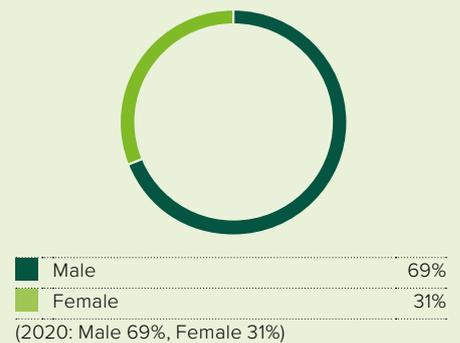
Quartiles	2021 Male	2020 Male	2021 Female	2020 Female
Lower	47%	41%	53%	59%
Lower Middle	72%	75%	28%	25%
Upper Middle	76%	78%	24%	22%
Upper	81%	83%	19%	17%

The quartiles show how many men and women are in each quarter of our payroll.

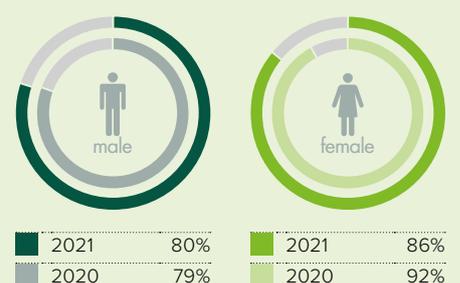
### Bonus pay

	2021 Gap Excl. LTIP	2020 Gap Excl. LTIP	2021 Gap Incl. LTIP	2020 Gap Incl. LTIP
Difference in Mean Bonus Pay	63%	59%	69%	94%
Difference in Median Bonus Pay	36%	29%	36%	30%

### Gender balance



### Percentage in receipt of bonus



# Gender Pay Gap Report 2021

continued

## THE PERSIMMON GROUP

The Persimmon Group includes all the employees from Persimmon Homes Limited and Persimmon Plc, plus an additional 59 employees from Space4 Limited, which is a manufacturing company producing timber frame components.

### Employees at the snapshot date

# 4,971

This is a 4.1% decrease on last year (5,182). It represents 100% of Persimmon Group employees

### Hourly rate of pay

	2021 Gap	2020 Gap
Difference in Mean Hourly Rate of Pay	19%	17%
Difference in Median Hourly Rate of Pay	18%	13%

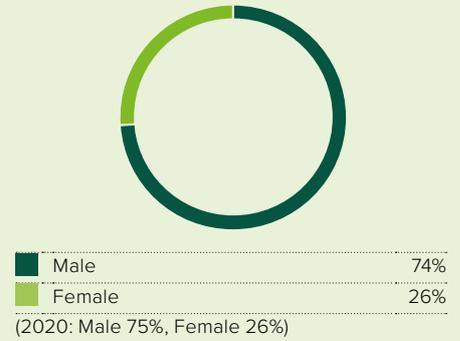
Quartiles	2021 Male	2020 Male	2021 Female	2020 Female
Lower	57%	67%	43%	33%
Lower Middle	78%	71%	22%	29%
Upper Middle	78%	74%	22%	26%
Upper	82%	83%	18%	17%

The quartiles show how many men and women are in each quarter of our payroll.

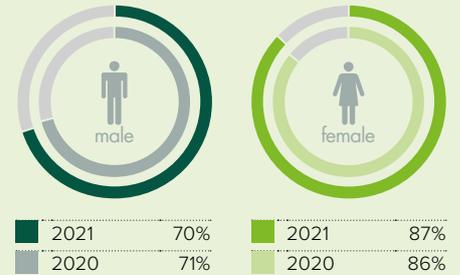
### Bonus pay

	2021 Gap Excl. LTIP	2020 Gap Excl. LTIP	2021 Gap Incl. LTIP	2020 Gap Incl. LTIP
Difference in Mean Bonus Pay	0%	-2%	4%	36%
Difference in Median Bonus Pay	26%	18%	26%	19%

### Gender balance



### Percentage in receipt of bonus



# Gender Pay Gap Report 2021

continued

## OVERVIEW

The overall gender balance for Persimmon has remained the same during the year, however the imbalance in the number of men and women throughout the organisation remains one of the primary causes of our gender pay gap.

The construction industry has historically been more attractive to men than women, however unlike the wider construction sector, house builders such as Persimmon have significant sales functions that traditionally employ more women.

The most representative set of figures that the Company publishes are those for Persimmon Homes Limited. Not only do they account for the majority of our employees they also represent all the colleagues in our core house building operations. The median pay gap for employees in Persimmon Homes Limited has increased slightly for the third year, to 18% (from 13%), which we believe is due to the continuing market pressures on the salary levels for key employee groups such as site managers and quantity surveyors. These roles are predominantly held by men and upward pressure to recruit and retain good, experienced people has increased male pay. By comparison, the pay levels for sales people and administrative staff, who are mainly women, have not been subject to the same market forces.

Additionally, Persimmon Homes comprises of 31 operating businesses, all of which have a board of directors, headed up by a Managing Director. Although there are a number of female directors across these businesses, in 2021 all the MDs were male. Commercial pressures led to a review of pay levels for these directors during 2021, which by virtue of the composition of this group, unavoidably led to the widening of our gender pay gaps. However, I am pleased to report that Persimmon has recently promoted a female to be the MD in one of our operating businesses from January 2022, who we hope will be the first of a number of similar promotions.

This trend is further illustrated by a more detailed comparison of two key site-based roles; site managers and sales advisors. When the Company recruits a site manager, they are likely to be male due to the fact that the majority of site managers in construction are men. They will usually be an experienced manager who as a result will command a relatively high salary. By contrast, the majority of our sales staff tend to be female and normally commence with us in trainee roles. By virtue of this, it means they will be earning a proportionately lower salary until they have completed their training. The Company has recently commenced training for two women who have transferred from sales roles to trainee site managers and it is hoped that they will create a precedent for more women to follow their example.

The mean bonus for 2021 in Persimmon Homes Limited of -9% is a reflection of our sales people, who are predominantly women, receiving a relatively high proportion of their pay in bonus compared to male colleagues in non-sales roles.

The late exercise of share options in the 2012 LTIP scheme by a very small number of participants has once again had a disproportionate effect on the bonus metrics, however the extent to which they have altered this is marginal and as mentioned above, this is the last time we shall illustrate the bonus metrics with allowances for the effect of the 2012 LTIP.

## THE GENDER PAY GAP – OUR ACTIVITIES

The Company recognises that reducing the gender pay gap will require a concerted commitment over an extended period. However, we are pleased to report that during this year there have been a number of initiatives and changes introduced with the objective to accelerate the pace of that commitment.

Firstly, the Company has appointed its first Director of Talent & Diversity, who commenced in May with a specific remit to increase the diversity of the workforce throughout the Group. The seniority of this appointment indicates how seriously the Company is taking the need to take positive action to increase diversity. One of her first actions was to establish the Group's Diversity & Inclusion Council, which is comprised of a diverse range of managers from around the Group, including members of the Executive Committee. The Council will be responsible for setting our Diversity Policy and ensuring its adoption throughout the organisation. In 2022 the Council will be supplemented by a Diversity & Inclusion Working Group, which will include representatives from the workforce and will enable the Company to engage with our employees on all matters relating to diversity. In tandem with this activity has been a thorough review of our internal talent pipeline, which is a precursor to establishing a robust succession planning model throughout the organisation. This will facilitate the introduction of specific learning and development initiatives and targeted recruitment activity with the objective to accelerate the proportion of women in senior roles across the Group.

Secondly, towards the end of the year the Company commissioned a Diversity & Inclusion Review, which was carried out independently by EA Inclusion, who are acknowledged as one of the leading consultancies in their field, and who carried out a thorough review that included interviews and surveys with employees and other stakeholders such as sub-contractors, customers and suppliers; as well as site visits across the organisation. Their findings, which were reported to the Board in early 2022, will provide the foundation for the development of a comprehensive Diversity & Inclusion Policy for the Group, which we are confident will provide an important catalyst for change.

Thirdly, the Group HR Department presented a comprehensive HR Strategy to the Board in the autumn, which was well received and has resulted in the recruitment of a number of specialists into the Department, including a Talent Acquisition Manager. His appointment will result in a Group-wide overhaul of our recruitment and selection procedures and will result in a formal recruitment policy to include the introduction of an Applicant Tracking System and the establishment of a talent acquisition team. This will result in significant improvement in the quality of our recruitment, which will also include training for all hiring managers on all aspects of recruitment including interview skills and the alleviation of unconscious bias. We are confident that as well as increasing the quality of our new hires it should also have a positive impact on the gender pay gap.

Fourthly, a number of senior appointments and promotions during the year has seen an increase in women holding senior roles in the Group. The Director of Talent & Diversity, referred to above, is female and she was joined in the year by a Chief Customer Experience Officer, who joined from outside the organisation, and the Group Strategy Director who was promoted into this role from a finance background. The latter two are part of the Senior Executive Group (SEG), which represents the most senior employees below the Executive Directors and for whom their remuneration is determined by the Company's Remuneration Committee.

The SEG now comprises of 3 women (1 in 2020) accounting for 37.5% of that Group (12.5% in 2020). These recruits, who are all employed by Persimmon Plc, explain the reduction in the gender pay gap in this part of the organisation, which employs the highest paid people in the organisation. Additional senior female recruits include a Group Sustainability Director and a Group Customer Care Director, both of whom commenced in early 2022.

Finally, like most employers emerging from the effects of the pandemic, we have introduced flexible working for all those occupations where it is practicable, which for us is predominantly in our offices. Whilst this has appealed to all our colleagues, we are aware that it has been particularly well received by those who have child-care arrangements to consider. A further change that has benefited our female colleagues has been the introduction of enhanced maternity pay. This has proved very popular and has ensured that the Company provides benefits in this area that are comparable to most employers and better than many, not only in the house-building sector but in the wider economy, making Persimmon a more attractive employer for women who are contemplating starting a family.

Much work still needs to be done to improve the gender pay gap across Persimmon, but despite the traditional dominance of men in the construction industry we remain confident that our activities and initiatives will begin to have the effect of narrowing the gap in the short to medium term.

### 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