



GENDER PAY GAP REPORT

2022



Introduction

As of April 2017, UK legislation requires businesses with 250 or more employees to publish their gender pay gap, covering pay and bonuses. At Griffiths, we are fully committed to supporting the principles of the gender pay gap initiative. As with many organisations in our sector, we are aware that women are typically underrepresented.

Griffiths has been and continues to be on a journey to address this trend by attracting and recruiting more women into the business, at all levels of the organisation by creating an environment that inspires and supports everyone. In 2022 we launched our company vision, mission statement and values – all of which reinforce our commitment of diversity, inclusion and equity within the workplace. We have made positive progress to reduce our Gender Pay Gap however despite this – much work remains and we are committed to continuing this progress and closing the gender pay gap.

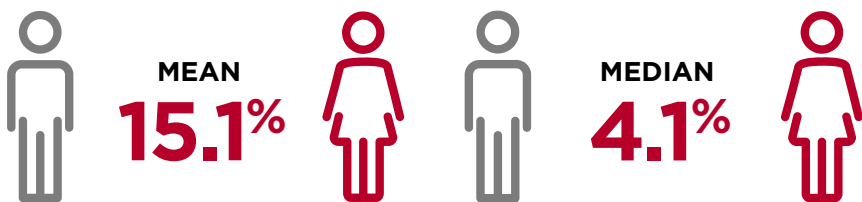
The Industry

Research from Engineering UK has shown that 16.5% of those working in engineering are female and that represents a 6% increase in the proportion of women in the engineering workforce, since 2010. During the same period the overall UK engineering workforce increased from 5.3 million in 2010 to 5.6 million in 2021, a rise of 6%.

In 2021, Griffiths reported a workforce made up of 10.5% women and 89.5% men and in 2022, we are pleased to confirm this improved to 12% women and 88% men. We continue to prioritise improving this gender diversity ratio in 2023 and for the foreseeable future.

Gender Pay Gap Calculations 2022

WOMEN'S HOURLY RATE DIFFERENCE (LOWER)



The mean gender pay gap measures the difference between men and women's average earnings for normal working hours. The mean gender pay gap measures the difference between men and women's average earnings for normal working hours. According to the Office for National Statistics, the UK national average is 14.9%* (mean). Construction companies reported the largest mean gender pay gap of any sector in the 2021-22 financial year, with a gap of 23.7% according to analysis by the CIPD.

In 2021, our median gender pay gap for average hourly pay reduced to 7.4% with our mean improving to 19.3%. Through our continued efforts in 2022 of introducing and adhering to salary ranges and bands, we have closed this gap further – our median gender pay gap is now 4.1%, with our mean improving to 15.1%.

These improving figures are a further step in our journey to reducing our gender pay gap and demonstrate our long term commitment to all our employees.

When using the mean to calculate an average, it is heavily influenced by the salaries of senior, long serving employees within the organisation and thus may not be truly representative of the average earnings of a typical employee. In taking the median, the middle value of the data is considered, and consequently it is considered a better indicator of typical average earnings.

Despite our continued focus on driving inclusivity and diversity in Griffiths, engineering and construction have traditionally been and continue to be male dominated professions. This continues to be seen in our senior leadership team, field based people leadership roles and site based civil engineering operational positions, which is where the majority of our employees are employed. In 2022 the number of female employees increased by 15% - at a time when our overall workforce increased by only 5%.

When analysing the gender diversity split on length of service we found:

- Employees with under 1 year service
96% men v 4% women
- Employees with 1 - 4 years service
75% men v 25% women
- Employees with 5 - 9 years service
88% men v 12% women
- Employees with over 10 years service
97% men v 3% women

Our data shows that during the 2022 Gender Pay reference data period our longest serving female had been employed with the business for over 19 years - this compared to 41 years for our longest serving male.



Bonus Payments

% of employees receiving a bonus



In 2022, 2% of our 966 employees at the time, were eligible for a bonus - reflecting a 6% increase in the number of employees within the bonus scheme.

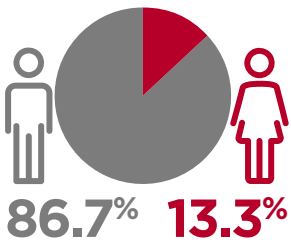
No bonus payments were made during the 2022 Gender Pay reference data period related to 2021 company performance.

Of the 2% of employees eligible to participate in the bonus scheme in 2022 - 20% were women and 80% were men. In 2021, 90% of all bonus payments were made to men - reflecting and reinforcing the number and seniority of men within Griffiths at that time. The gender diversity ratio of those eligible for bonus payments in 2022 has greatly improved.

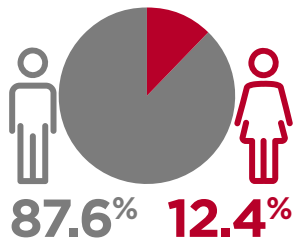


Gender Pay Gap Quartiles

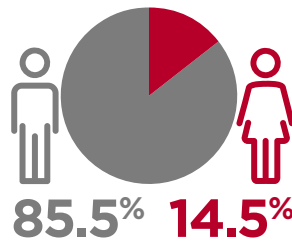
LOWER



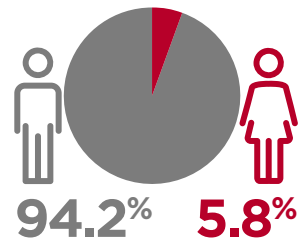
LOWER MIDDLE



UPPER MIDDLE



UPPER



In 2022, 51% of men were paid in the upper or upper middle quartile, compared to 45% of women. This reflects a 1.7% increase in women earning in the upper or upper middle quartile from data reported in 2021, and demonstrates a significant shift from 2020 when 53% of men were in the upper or middle upper quartile and only 17.9% of women were in the same quartile.

2022 also saw a small increase in the number of women in the lower quartile – a shift from 12% to 13.3% of women reported in this quartile. The number of female employees reporting in the lower middle quartile also increased, from 11.7% to 12.4%.

Women represented 12% of the relevant employees for the purpose of gender pay reporting – a rise from 10.5% in 2021. This increased female percentage can be seen reflected in the increased percentage of females in the upper quartile, lower and lower middle quartile. There is negligible change in the gender diversity split in the upper middle quartile and across all quartiles the overall proportion of men within the business is still significantly higher than women.

Encouraging and Supporting Diversity

We are very pleased to see the positive progress and impact being made to close the gender gap on pay – albeit further work is required. Griffiths is on a journey and we recognise the changes required will take time, continued focus and prioritisation. By living and demonstrating our company vision, mission statement and values which we launched in 2022, we are confident further progress and positive change will take place in 2023.

In 2022 – Griffiths took part in the CRH frontline leadership programme which aims to develop values driven leadership behaviours, promoting diversity and inclusion across the organisation. We are delighted that 3 employees, 2 women and 1 man have been trained to facilitate and deliver the course to Griffiths employees. 2 male employees have also attended the FLP course as delegates in 2022 – enabling us to share the communication cascade regarding diversity and inclusion and values driven leadership across our entire employee population. Numerous cohorts of leaders within Griffiths will undertake the CRH frontline leadership programme in 2023 – aiming to train all leaders by Q1 2025.

In addition, we will be rolling out Dignity at Work Training for all employees in Q1 2023. Our leaders are committed to role modelling and reinforcing the correct behaviours and actions in our business to encourage and promote inclusion, diversity and equity across our workforce. Leaders and employees are encouraged to call out substandard behaviours and not walk by.

In 2023, we will be building and launching our Early in Career Programme – which aims to attract more women into our industry whilst developing a pipeline of students, apprentices and graduates enhancing our diverse talent pool and pipeline. Through Griffiths' commitment to increase diversity, we will continue to review our recruitment and selection processes and employee benefits package ensuring it is attractive and inclusive to all employee demographics.

In 2023 we will continue with the progress we have made to date introducing robust industry benchmarked salary ranges and bandings for each role to ensure consistency, structure and fairness of pay across all roles, employees and recruitment activities.

We are delighted to have received approval to introduce a new HR and Payroll System, enabling us to automate our HR and Payroll processes, driving improved compliance and business efficiencies. This will also enable us to capture, track and analyse employee data, including gender and salary data allowing the business to make more informed decisions from positions of knowledge.

We are proud of the progress we have made in 2022 and our commitment to improve this further in 2023 is strong.

I confirm that the information contained in this written statement is accurate.



DAVID PARR,
Managing Director