April 2023 - March 2024





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Foreword

Gender pay gap reporting in the UK is now in its seventh year. This report covers the 2023-2024 reporting cycle, using a snapshot date of 5th of April 2023. This is the second year Hercules Site Services PLC have reported on our gender pay gap, our intention is to take lessons from the report and identify strategies to reduce the gender pay gap in our workforce.

As a business we are constantly pushing for change and progression and our team is passionate about doing things differently, aiming for continual improvement throughout our organisation and across our business divisions. Our attitude and approach ensure that we never stand still, that we are constantly striving to be innovative and that we are leading positive change, not just for our business but also for our workforce and the entire construction industry. To be a world class service provider delivering an unrivalled experience to our clients, our workforce, and the local communities we work in, everything we do has to be underpinned by our core values; **Collaborative, Innovative, Committed, United, Trustworthy.** In order to achieve this, we are flexible in our approach and open to trying new ways of working in order to deliver the best solutions, and we are always transparent in everything that we do.

The construction industry has historically been a male dominated sector with the construction industry average for females in the workforce at 12.5% with only 1% of these in site-based roles. The number of females in our workforce has risen from 2.03% in 2020, to 2.31% in 2021, and is currently at 5.49%. The majority of females in our workforce are office-based, with 37.32% in site-based roles. This is an area we are actively working to improve through:

- National advertising campaigns for our Recruitment App via posters in female toilets in service stations nationwide across 60 project areas.
- Working with organisations to educate females at higher education level, highlighting the inclusive environment and career opportunities the industry offers.
- Involvement with schools and colleges delivering careers advice and work experience opportunities.
- Partnering with Women's Platform UK offering training and upskilling opportunities.

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What is the Gender Pay Gap?

Any employer with 250 or more employees on a specific date each year (the 'snapshot' date) must report their gender pay gap data. As a private employer the snapshot date is 5th of April of the previous year, utilising payroll data from this date to make the required gender pay gap calculations. The gender pay gap data must be reported and published within a year of the snapshot date.

Is the Gender Pay Gap the same as Equal Pay?

The gender pay gap and equal pay both deal with pay disparity at work, but they are not the same. Equal pay means that men and women performing equal work, or work of equal value, must receive equal pay. Equal pay has been a legal requirement for decades and is currently covered by the Equality Act 2010. It applies to salary and contractual terms and conditions of employment such as: holiday entitlement, bonuses, pay and reward schemes, pension payments.

The gender pay gap measures the difference between men and women's average earnings in an organisation. It does not take into account people's roles or seniority within an organisation. An employer with an effective equal pay policy can still have a gender pay gap. For example, this can happen if the majority of women employed are in lower-paid jobs.

Gender Identity

Hercules recognises that gender can be fluid and not all will identify as male or female, and we wish to support our non-binary colleagues. As per Government Regulations our employees need to be categorised as male or female for this report. Therefore, for the purposes of the gender pay gap calculations we have used data from those that have identified as male or female.

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The Six Metrics and what they mean:

1. Percentage of men and women in each hourly pay quarter:

This calculation uses the data from full pay relevant employees, including their gender and hourly pay This calculation works out the percentage of men and women in 4 equally sized groups, ranked from highest to lowest hourly pay.

2. Mean (average) gender pay gap for hourly pay:

This calculation uses the data from full pay relevant employees, including their gender and hourly pay. The calculation provides the mean (average) gender pay gap in hourly pay as a percentage of men's pay.

3. Median gender pay gap for hourly pay:

This calculation uses the data from full pay relevant employees, including their gender and hourly pay. The calculation of provides the median gender pay gap in hourly pay as a percentage of men's pay.

4. Percentage of men and women receiving bonus pay:

This calculation uses the date from all relevant employees including their gender and bonus pay. This calculation provides the percentage of men and women who received bonus pay in the 12 months ending on your snapshot date.

5. Mean (average) gender pay gap for bonus pay:

This calculation uses the date from all relevant employees including their gender and bonus pay. This calculation shows the difference in the mean (average) bonus pay paid to men and women as a percentage of men's pay.

6. Median gender pay gap for bonus pay:

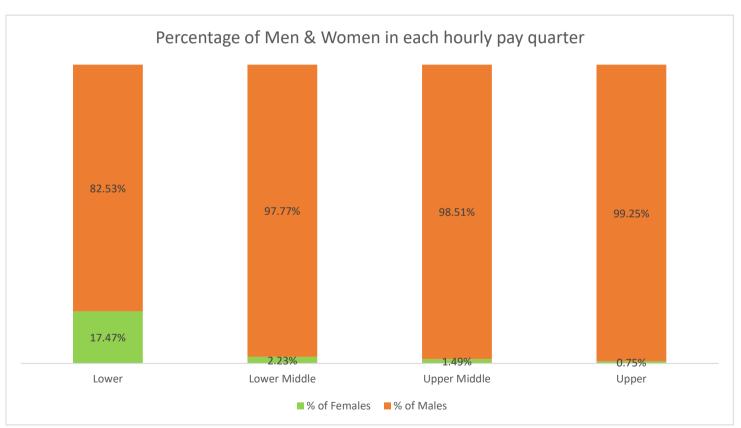
This calculation uses the date from all relevant employees including their gender and bonus pay. This calculation shows the difference in the median bonus pay paid to men and women as a percentage of men's bonus pay.





What does the data show us?

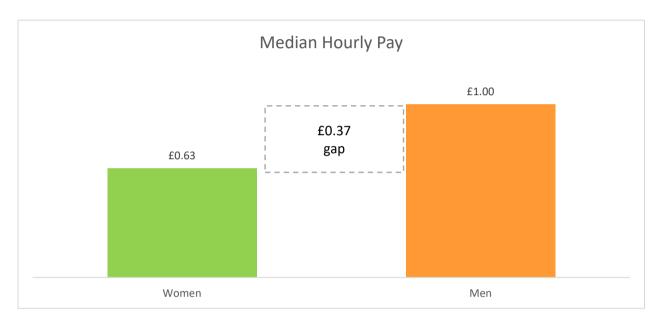
The data provides a basic understanding of what the gender pay balance looks like within our organisation. Following on from this data we can look to identify causes of the imbalance and target resources effectively to reduce the gender imbalance.



The pay quartiles show the proportion of female and male employees according to four pay bands.

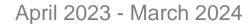
The majority of our staff are male, with females represented in each quartile but the majority are within the lower quartile.



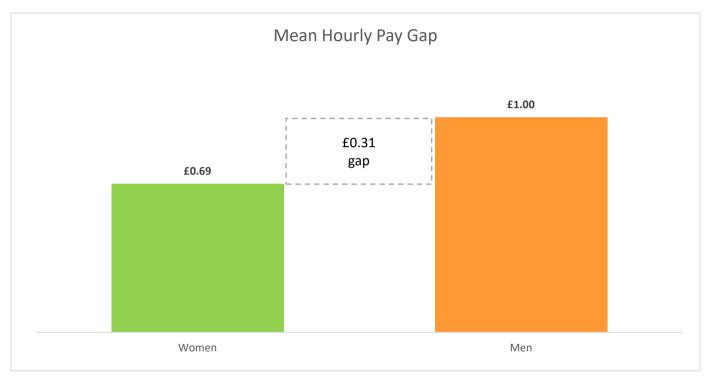


The median pay gap is the difference between the median hourly rate of pay of male full-pay relevant employees and that of female full-pay relevant employees.

This shows for every £1.00 earnt by a man in this organisation, a woman earns £0.63 – this demonstrates a median hourly pay gap of £0.37.

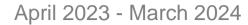






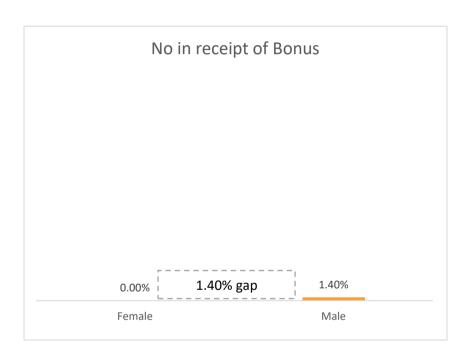
The mean pay gap is the difference in between the mean hourly rate of pay of male full-pay relevant employees and that of female full-pay employees.

This shows for every £1.00 earnt by a man in this organisation, a woman earns £0.69 – this demonstrates a mean hourly pay gap of £0.31.

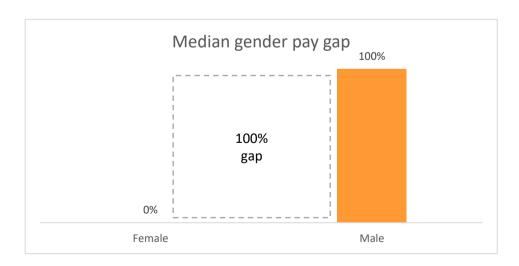




Only a small percentage of the company received a bonus within the reporting time period which equates to 1.40% of men and 0% of women. This demonstrates a mean and median gender pay gap of 100%.











What are the drivers behind the Gender Pay Gap in the construction industry?

- A lack of women in senior positions
- Where there are fewer woman in senior positions where bonuses are paid, this impacts the bonus gap
- A minority of women working within the construction sector
- Site based roles
- Client led site hours and working policies
- Work life balance impacts careers
- Female managers are not the norm
- Women remain underrepresented within construction
- Lack of female role models in construction
- 'Male-dominated' culture
- Lack of flexible working arrangements
- Long working hours culture
- Lack of initiatives to transition female employees into senior or leadership positions
- Lack of support during menopause
- Perceived fear of inappropriate comments or behaviour from male colleagues

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What are we currently doing to close our Gender Pay Gap?

What we currently have in place:

- We proudly sponsored the 2023 Design and Build UK Women in Construction Awards, with our own Compliance Assurance Director sharing an inspiring speech sharing her personal journey in the world of construction
- As partners of the Supply Chain Sustainability School, we actively promote the requirements associated with Fairness, Inclusion and Respect (FIR)
- We have 20 trained FIR Ambassadors monitoring requirements and ensuring an inclusive culture, both in our head office and critically on-site, delivering training in EDI and FIR
- Our FIR Working Group reviews our policies, relevant procedures and selection criteria to ensure that individuals are selected, promoted and otherwise treated according to their relevant individual abilities and merits
- We are signatories of the Supply Chain Sustainability School 'People Matter Charter'
- Training and development opportunities
- Flexible working policies
- Parental leave
- Employee engagement surveys
- Menopause policy in place
- Mentoring programme in place
- EDI reporting and monitoring to help enable targeted recruitment campaigns to increase diversity and inclusion within our workforce

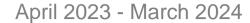




What actions can we take to close our Gender Pay Gap?

What actions can we take going forward to reduce our gender pay gap?

- Include multiple women in shortlists for recruitment and promotion
- Ensure all sites are female friendly
- Improve workplace flexibility for men and women
- Females within senior leadership roles offering mentoring and sponsorship to encourage further female progression
- Encourage the uptake of shared parental leave
- Recruit returners
- Work collaboratively with our clients and workforce to identify barriers within the industry that discourage women
- Ensure positive representation from females within senior leadership teams
- Create a diversity task force
- Review our bonus structure





Summary

At Hercules we believe that every member of our team counts, and we foster a culture of inclusion, collaboration, and innovation throughout our organisation.

We are committed to closing our gender pay gap and ensuring we have a genuinely diverse team that can meet the needs of our clients as we continue to grow and diversify into new sectors in the industry.

We are realistic about the challenges we face within the historical composition of the industries we operate in, and we understand that change starts at the top with commitment from our leadership team.

At Hercules we are proud of the incredible female talent already within our company, but we need to ensure that we work to encourage more women into the construction industry, and that we promote more opportunities for females within our organisation.

I confirm that the gender pay gap data contained in this report for Hercules Site Services PLC is accurate and has been produced in line with mandatory requirements.

This Gender Pay Gap Report has been reviewed and signed off by the Executive Board of Hercules Site Services PLC.



Date: March 2024