



Hill & Smith Holdings PLC

Gender Pay Report

2021



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Introduction

Hill & Smith Holdings PLC (the 'Group') is an international group creating sustainable infrastructure and safe transport solutions through innovation. Group revenues are approximately £705 million across 29 subsidiaries, with a global workforce of c.4,400 people. Headquartered in Solihull, UK, we serve our customers from operations in the UK, the US, India, France, Sweden, and Australia.

Our businesses are attracted to fast growing niche opportunities that provide significant value to our customers in their critical applications, helping transport become safer and infrastructure become more sustainable, with both the environment and our customers benefitting through the value that our diverse offerings provide. Our geographical focus is on countries where there are historically high levels of investment in infrastructure for upgrades and replacements, while our decentralised model allows our businesses to care about small, high growth, high margin applications in a way that more centralised, volume driven organisations cannot.

The Group's operations are organised into three main business segments:

Roads & Security: supplying products and services such as permanent and temporary road safety barriers, street lighting columns, Intelligent Traffic Solutions, variable road messaging solutions, bridge parapets, renewable energy lighting & power solutions, temporary car parks, high security fencing, and hostile vehicle mitigation.

Engineered Solutions: supplying products and services such as engineered composite solutions with low embedded energy, assemblies for the distribution of electricity, building products including fire doors, pipe supports for the water, power and liquid natural gas markets, industrial flooring, and seismic protection solutions.

Galvanizing Services: dramatically increasing the sustainability and maintenance-free life of steel products including structural steel work, lighting, bridges, agricultural and other products for the industrial and infrastructure markets.

Our People

Among our 1,762 relevant UK employees, 12% of whom are female, the Group is committed to diversity and fairness, including having in place the policies, practices, and behaviours that ensure equal opportunities in recruitment, learning and career development. The Group recognises that for its businesses to succeed they must source, support and develop both male and female employees through a range of attraction and development strategies that engage everyone in the success of the organisation. This approach is adopted across all the jurisdictions within which we operate.

The Gender Pay Gap

The Office of National Statistics (ONS) publishes its own gender pay gap figure which was 7.9% (2021) for full time roles (and 7.0% in 2020). Also, the ONS reported a pay gap for all roles including part time ones of 15.4%. The pay gap for the under 40s has closed over time, with a slight uptick in 2021, but for the over 40s, the pay gap remains higher at c.12%. The other trend identified in the ONS data is that the pay gap widens between men and women at the higher salary levels.

From April 2017 onwards, annual gender pay reporting has been mandatory for all UK entities employing over 250 employees, and over the last 3 years, this organisation has reported the pay gap for our three largest UK subsidiaries, and in this document, the paygap for the entire UK workforce.

Our Gender Pay Gap for 2021 was 2.8% for mean hourly pay (-5.8% compared with prior year). Our Gender Pay Gap relating to the mean bonus gap was 46% (-8.5% compared with prior year). This demonstrates a steady consistent improvement in closing the Gender Pay Gap, but we recognise there is still more to do.

The Gender Pay Gap & Equal Pay

Hill & Smith Holdings PLC is committed to providing equal pay for work of equal value. Not only is this a legal requirement, it is the right thing to do, and our policy on equal opportunities and diversity requires it. It is important that our employees are treated fairly.

A gender pay gap does not necessarily mean that there are equal pay issues, rather it could illustrate that there is an unequal distribution of men and women at different levels across the business.

Hill & Smith in the UK

The table below shows the proportion of males and females in each pay quartile in the UK workforce in April 2021.

All UK & reporting Subsidiaries	Headcount	Upper quartile m/f %	Upper middle quartile m/f %	Lower middle m/f %	Lower quartile m/f %
All UK employees*	1,762	86/14	87/13	89/11	88/12
Birtley Group Limited	249	86/14	86/14	84/16	98/2
Hill & Smith Limited	196	96/4	84/16	78/22	78/22
Joseph Ash Limited	356	80/20	99/1	94/6	79/21

*There are other subsidiaries within the UK that are not required to report their pay and bonus gap.

In 2021, we employed slightly more women in the highest pay quartile than we did in 2020, together with more women in the lower middle quartile. We continue to review our attraction and selection processes, for example, to ensure that our recruitment advertising reaches and attracts a broad range of candidates for roles at all levels in the organisation. We are monitoring the proportion of male and female applicants for roles, the proportion of offers of employment made to men and women, and reviewing the way that salaries are set on commencement.

For Hill & Smith subsidiaries, changing the ratio of men and women employees across a broad spectrum of roles would be key to reducing any pay gap and we envisage it that it could take several years for the proportions to change materially. One of the keys to changing the future workforce profile is to attract female school leavers into a broader range of roles, including engineering, year on year. We have also ensured that recruitment shortlists contain an appropriate gender balance.

Bonuses in the UK Group

In the year since we last reported our data, the proportion of women receiving a bonus was slightly lower at 58% (62% in prior year). The proportion of men who received a bonus increased from 40% to 47%. However, the mean bonus gap improved by 8.5% to 46%, this is the difference in the average bonus paid to women and the average bonus paid to men reflecting the ratio of male and females in senior roles across the Group. The median bonus gap which represents the mid-point of the population receiving a bonus, has also reduced to 20.6%, a reduction of 1.5% on prior year.

There are a range of variable pay arrangements that meet the bonus reporting criteria, and these schemes apply to different roles.

Hill & Smith Holdings Subsidiaries

The data in the table below refers to the three subsidiaries in the Group that report their pay gap separately.

Hourly Paid & Salaried employees 2020/21	Mean Hourly Pay	Median Hourly Pay	Mean Bonus Gap	Median Bonus Gap
Birtley Group Limited	1.5%	-23.8%	-	-
Hill & Smith Limited	27.8%	17.9%	70.9%	49.8%
Joseph Ash Limited	6.9%	11.5%	66.2%	-4.3%

In the tables that follow, the data is shown by company and for the five reportable years.

Birtley Group Limited

Year	Mean Hourly Pay	Median Hourly Pay	Mean Bonus Gap	Median Bonus Gap
2016/17	-7.1%	-38.6%	87.3%	90.7%
2017/18	2.5%	-28.0%	89%	90%
2018/19	13%	0.6%	80%	89.8%
2019/20	-1.7%	-27%	86.9%	88.9%
2020/21	1.5%	-23.8%	-	-

Hill & Smith Limited

Year	Mean Hourly Pay	Median Hourly Pay	Mean Bonus Gap	Median Bonus Gap
2016/17	14.1%	18.5%	70.4%	1.7%
2017/18	21.1%	21%	70.3%	-28.8%
2018/19	16.9%	14.4%	79.3%	32.4%
2019/20	19.4%	18.4%	78.7%	61%
2020/21	27.8%	17.9%	70.9%	49.8%

Joseph Ash Limited

Year	Mean Hourly Pay	Median Hourly Pay	Mean Bonus Gap	Median Bonus Gap
2016/17	15%	1.5%	84.8%	47.5%
2017/18	11.7%	-2.9%	83.5%	41.8%
2018/19	5.4%	-16.9%	89.4%	58.8%
2019/20	9.6%	-8.4%	84.1%	44.4%
2020/21	6.9%	11.5%	66.2%	-4.3%

Across the Group in the UK, we recognise that we employ materially more men than women overall (88%/12%), and that we employ more men than women at all levels in our organisation. We are working to achieve a better gender balance across our Group and while we have made a good start on this, we recognise there is more to do in the coming years to improve this.

Therefore, we shall continue to:

- focus particularly on those occupations where women are better represented, to understand the reason for the gap, including consideration of job value
- revisit the pay quartiles and job families to establish which roles are not attracting female candidates, and to explore sourcing strategies to change the gender profile of the workforce
- monitor whether there is equality in relation to promotional moves, by ensuring transparency of opportunity prior to the selection process, and when approving appointments
- review how pay is set on the commencement of employment and as careers progress

Finally, considering the ONS findings reported earlier in this document, we will review whether our pay gap varies across different age groups and seniority.

By Order of the Board