

NHBC Gender pay gap report

2022

At NHBC, we are committed to inclusion in all its forms. We know that diversity is one of our greatest strengths, contributing positively to our success. Our aim is to foster an inclusive culture and working environment where everyone has the opportunity to flourish, improve and excel.

This gender pay report is prepared according to the legislative requirements for organisations with more than 250 employees and shares a snapshot of our pay gap as of April 2022.

The report shows the difference in average pay between all male and female employees across the whole organisation at that time. It does not measure equal pay, which relates to how women and men are paid the same for similar jobs, or for work of equal value. NHBC monitors this through regular equal pay audits, the last of which was completed in September 2022 concluding that there was no indication of an equal pay issue.

NHBC's mean gender pay gap



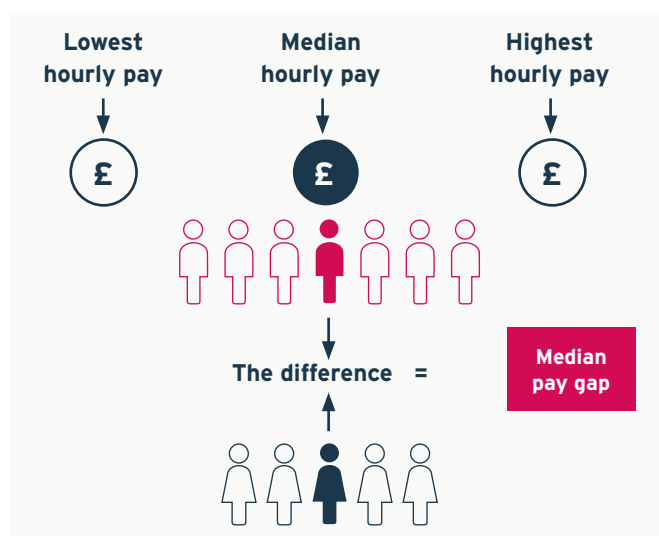
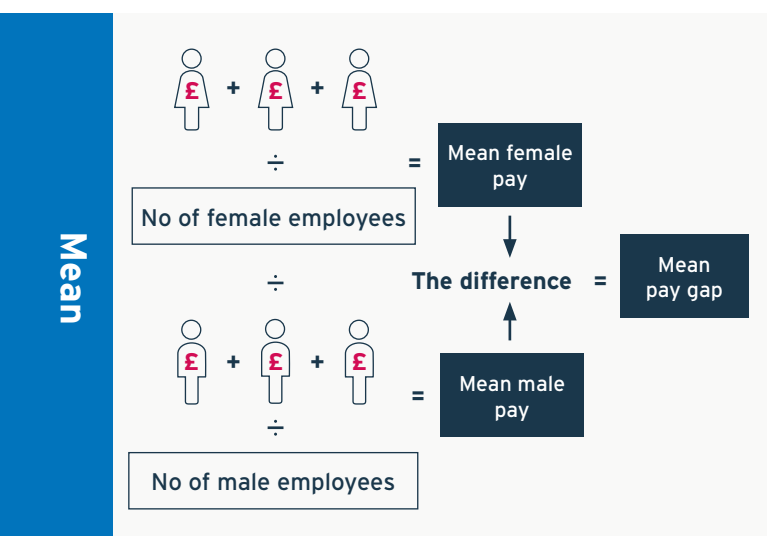
NHBC's median gender pay gap

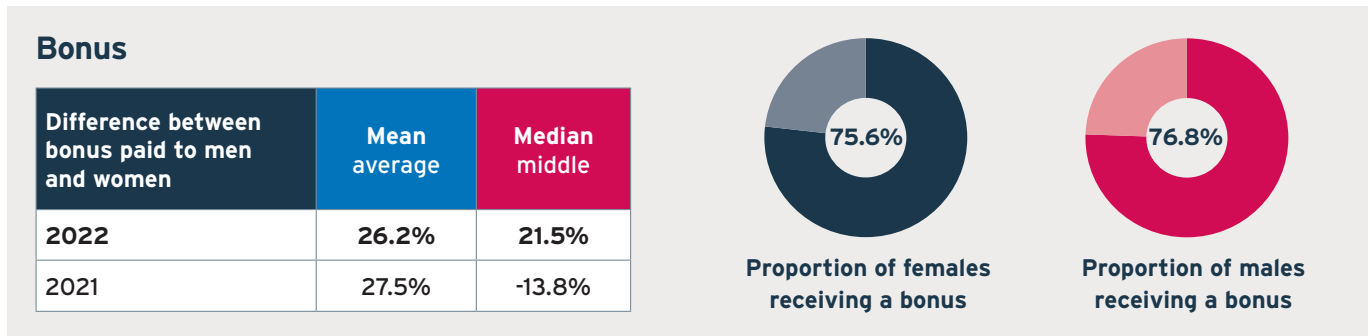
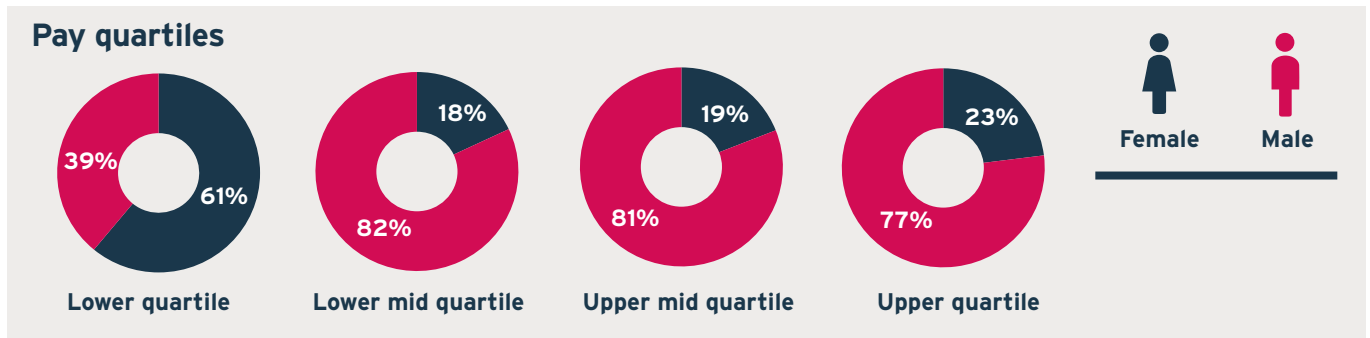


We are aware that both mean and median pay gaps stem from the different numbers of men and women at different levels and in different business areas within the company. We recognise that our gender pay gap is still mainly driven by under-representation of women in our higher paid senior leadership and in our higher paid technical positions, a challenge not unique to NHBC but also reported by many organisations across for the Financial Services and Construction industries.

In the year from April 2021 to April 2022, NHBC undertook a salary and conditions benchmarking exercise and subsequently implemented changes to our pay rates to align with market practice. This exercise resulted in a slight widening of the gender pay gap as men, on average, received a higher pay award than women. This is mainly due to the fact that the majority of higher paid technical and senior positions are occupied by men.

We remain committed to a number of inclusion initiatives which we believe benefit NHBC and should also contribute to narrowing the mean and median pay and bonus gaps.





The bonus gender gap calculation looks back 12 months from April 2022. In July 2021 bonus was paid based on company and individual performance. Women slightly outperformed men which is reflected in the narrowing of the mean bonus gap. However, a larger population of men received a bonus compared to 2021, which widened the median bonus gap. In addition to this, in November 2021 a “Thank You” bonus was paid to employees and although the gender split of the payment reflects that of the company (70% male, 30% female), the pay gap was influenced by lesser prorated bonus payments made to women who worked part-time.

The changes in gender pay gaps have been carefully examined internally and by our remuneration committee and we are confident that our pay practices remain fair.

Commitment to Diversity

Understanding our gender pay gap and what drives it is only the first step. Our senior management recognise the importance of including diversity and making intentional decisions to ensure gender and ethnic representation across all employee levels and business areas. We continue to ensure strong governance of reward arrangements, with Board oversight provided by the Remuneration Committee. This year, all employees were asked to share personal data to include gender, ethnicity, nationality, disability, and social mobility and we achieved 92% completion. Their commitment to this will allow us to target our initiatives and measure our outcomes far better in the future.

Ensuring an inclusive approach

We are committed to making good decisions across the employee lifecycle with measures which support gender neutral decision-making and ensure monitoring of inclusivity goes beyond focussing on gender pay.

- Our publicity and imagery on public sites and job advertisements are gender neutral.
- We practise blind recruitment and request agencies provide gender balanced lists of candidates and, where possible, interview panels are gender balanced.
- All our roles are posted to job boards targeted at females and other under-represented groups.
- All hiring managers have undergone unconscious bias training.
- We continue to review performance and development of all employees across the year and complete a diversity analysis of annual performance ratings.
- Now, with access to personal data, we will begin to measure turnover by gender, tenure, ethnicity and job grade and to track promotion and development opportunities to help us understand where to focus our attention.



Helping our talent excel

To reduce the Gender Pay Gap, we recognise we need to create an environment for people to balance career with external commitments and, as a continuation of our positive action to increase flexibility in work patterns, we have produced guidelines on Hybrid Working for informal flexible working patterns and arrangements. In addition to our generous holiday entitlement, we have a holiday purchase scheme. For new parents, we offer the same level of enhanced maternity, paternity and adoption pay.

We recognise the proportion of women in senior roles affects gender pay results. As a signatory of the Women in Finance Charter, our target is to increase women in these roles to 45% by 2025. Currently, 50% of our Non-Executive Directors and 45% of our Executive Committee are female. Female senior managers, as a percentage of total senior management, are 33% and we continue to work towards achieving this target. We have strong, well-attended internal networks that support NHBC's future female leaders and aspiring employees.

Increasing our female talent pipeline

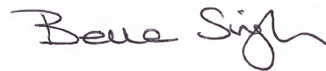
Recently, we became members of Women into Construction (WiC), an independent not-for-profit organisation that promotes gender equality in construction. We are in the process of creating an action plan with them to improve female representation in this male-dominated industry.

In 2022, we began a partnership with the charity 10,000 Black Interns, taking 4 interns (3 female), during their summer break from university. We will repeat this programme in summer 2023 and have pledged to take 9 interns. The aspiration is that they will be attracted to NHBC (or our industry) after graduation.

We confirm that the information and data reported is accurate as of the snapshot date and meet the requirements of the regulations.



Steve Wood, Chief Executive



Belle Singh, HR Director

