

NEC

GENDER  
PAY GAP  
REPORT  
2023

\Orchestrating a brighter world



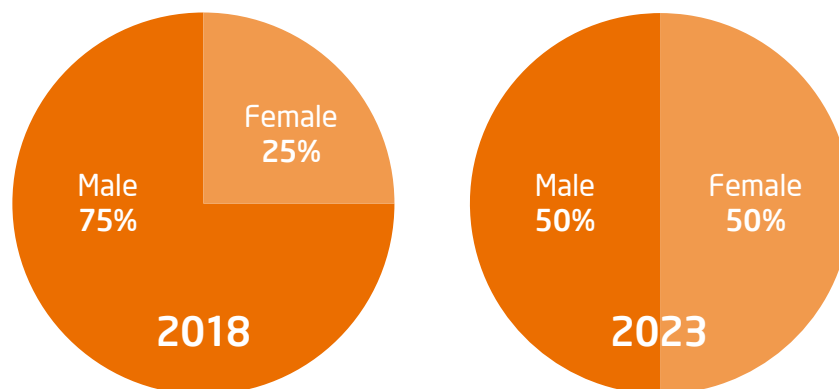
## FOREWARD FROM OUR CHIEF EXECUTIVE

Our colleagues take great pride their work, supporting public services and actively contributing to their communities. We want them to be representative of these communities and to enjoy a long and varied career regardless of gender, sexuality, disability, nationality, race or religion.

In recent years, we have improved our processes and restructured career development to offer greater flexibility for all our employees and has been particularly well received by our women/ female employees. These changes - including hybrid working, gender-neutral role definitions and a new approach to succession planning - have led to visible change. In 2018, women made up 25% of our Executive Leadership team. Today, it's 50%.

The changes we have made have also benefitted female colleagues in lower pay quartiles. Following a review of legacy bonus schemes, we were able to move some optional bonus awards into base salaries to provide greater certainty. The results of our 2022 Engagement Survey also show that colleagues agree that we are inclusive, have clear values and offer a flexible work environment.

### SENIOR LEADERSHIP TEAM



However, we know that we have more to do. Our mean gender pay gap stands at 28%, which reflects a wider challenge across the high-tech sector. This number is also driven by the continued expansion of our services business in the wake of Covid-19. Market pay is often in the lower quartiles, and women made up a high proportion of successful applicants for these roles.

We remain committed to identifying and reducing gender pay gaps where we can. We know it will take time, and we are continuing to take action.

Tina Whitley  
Chief Executive Officer  
20 September 2023

## ABOUT THE GENDER PAY GAP

The gender pay gap is the difference between the average earnings of men and women, regardless of their role or seniority. This differs from equal pay, which is where a person of one gender receives the same pay as a person of the other gender for carrying out the same or a similar job.

It is therefore possible for an organisation to comply with equal pay legislation, as we do, and to also have a gender pay gap if women make up a higher proportion of employees in junior roles.

### UNDERSTANDING THIS REPORT

- The mean pay gap is calculated by adding together the pay/bonus values for each gender and dividing by the number of employees of that gender. The gap between those two numbers is expressed as a percentage.
- The median pay gap is the percentage difference between the rate of male and female pay at the midpoint if you line up the pay values by gender from low to high. This is used to calculate both pay and bonus gaps.
- Quartiles are the pay values lined up from low to high (similarly to the median) then split into four equal parts.

## OUR RESULTS

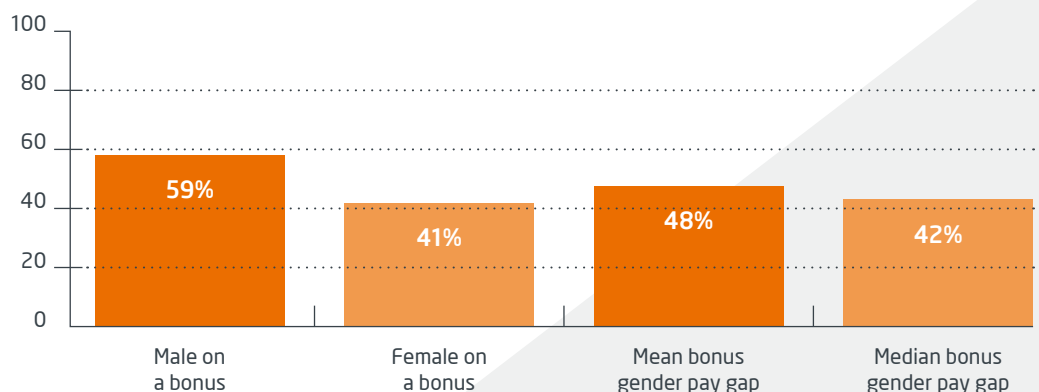
### OVERALL GENDER PAY GAP

*The data in this report comes from a snapshot taken in April 2022.*

- The difference in the mean pay of full-pay men and women is 28%
- The difference in the median pay of full-pay men and women is 42%

The gender pay gap for the UK Information Services is mean 22% and median 30%, and for IT engineers in particular it stands at 26%. Our results reflect the wider challenge of attracting women into STEM subjects and then into STEM careers. Our median pay gap reflects the difference in the number of men and women in the top pay quartiles.

### BONUS GENDER PAY GAP



The gender pay gap in relation to bonuses is explained by the higher proportion of men in roles with opportunities for sales commissions and additional on-call payments.

Furthermore, the bonus gap calculations do not take into account the number of hours worked, which means the number of family friendly, part-time roles (83% of which are performed by women) are treated as full-time equivalents.

## GENDER PAY GAP PER QUARTILE

### QUARTILE 1:

The proportion of males is 79% and females 21%. The mean gap is 0% and the median gap is 2%. (2021: 75% males and 25% females, mean gap was 5% and median gap was -1%)

### QUARTILE 2:

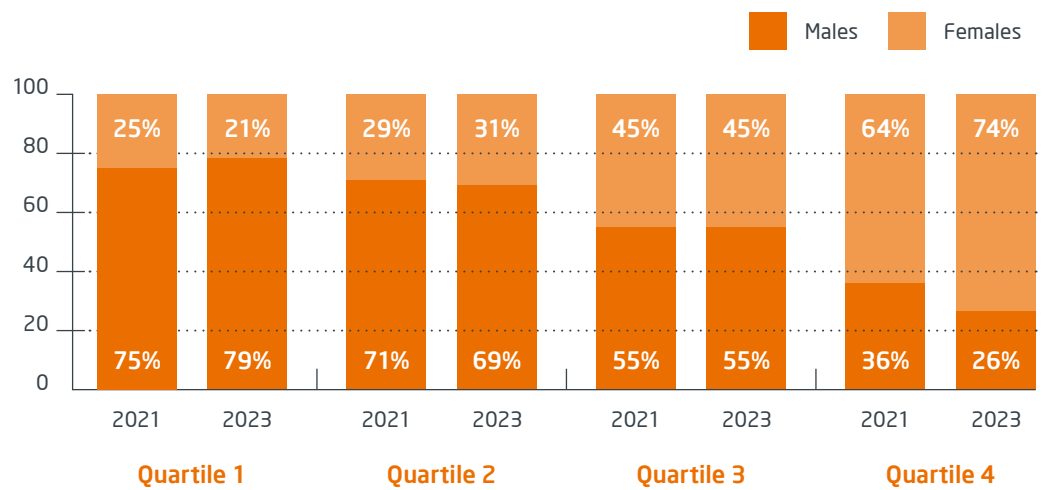
The proportion of males is 69% and females 31%. The mean gap is -3% and the median gap is -1%. (2021: 71% male and 29% female, mean gap was 1% and median gap was 1%)

### QUARTILE 3:

The proportion of males is 55% and females 45%. The mean gap is -1% and the median gap is 2%. (2021: 55% male and 45% female, mean gap was 3.75% and median gap was 5.5%)

### QUARTILE 4:

The proportion of males is 26% and females 74%. The mean gap is -6% and the median gap is 0%. (2021: 36% male and 64% female, mean gap was 3.5% and median gap was 3%)



In addition to the challenge faced by the high tech sector as a whole, the figures in this year's report reflect the continued expansion of our services business to meet customer demand during the pandemic. These roles typically fall within the lower pay quartiles and 78% were filled by women, which had a knock-on effect on the overall pay gap.

## OUR ACTION PLAN

### OUR APPROACH

We aim to be an employer of choice, welcoming people from a variety of backgrounds and promoting respect for the individual and equal opportunities.

We are committed to eliminating discrimination and aim for our workforce to be truly representative of the wider community. Through our Equality, Diversity and Dignity policy and mandatory annual training, we promote equitable recruitment, career development and promotion opportunities. We also review our processes regularly to identify and remove any barriers.

### ACTION SO FAR

In the last few years, we have:

- Worked with external consultants to develop a new career framework, including gender-neutral role definitions and extensive succession planning. This work has helped us to re-align roles into broad job families and target recruitment where women are under-represented;
- offered greater flexibility around working hours and location in response to colleague demand;
- taken steps to promote our flexible working and family friendly policies during the recruitment phase to attract a more diverse range of applicants; and
- reviewed and consolidated legacy bonus schemes, including moving optional bonuses into base salaries for those in the lowest pay quartiles.

### WE ARE CONTINUING TO:

- Use our new succession planning procedures to unlock promotion barriers and make it easier to move between roles;
- analyse recruitment statistics to understand the gender split in total applications and at each stage of the recruitment cycle;
- consider how we might use apprentice and graduate roles to attract new talent and create a gender balance in future cohorts; and
- continually review our policies to ensure they further our goals: a diverse workforce where every colleague feels able to contribute their best; and equitable opportunity for career development and reward.

## LATEST ACTIVITY

