

A woman with voluminous, dark, curly hair is looking down at a smartphone held in her hands. She has a slight smile and her eyes are closed. She is wearing a sleeveless top with a teal and blue color scheme. The background is a warm orange gradient with a diagonal line separating a lighter orange upper section from a darker orange lower section.

NEC

GENDER PAY GAP REPORT 2024

\Orchestrating a brighter world



FOREWARD FROM OUR CHIEF EXECUTIVE

Diversity powers our business. It plays a key role in creating people-centred services that respond to everyone's needs, and it's why we want our colleagues to be representative of the communities we serve.

Our goal is to nurture talent and develop long-term careers regardless of gender, sexuality, disability, nationality, race or religion. What matters is that people stay true to our values by going the extra mile to support colleagues, clients and citizens to deliver better public services.

The high-tech sector as a whole has a gender pay gap that is significantly higher than the national average. And while we have more to do, we have taken positive steps to reduce it. Recent changes that have benefitted women in all pay quartiles include hybrid working, gender-neutral role definitions, a new approach to succession planning, and adjustments that brought many more women on to a bonus scheme. We also work with a number of external partners to encourage applications from under-represented groups.

Our mean gender pay gap stands at 26%. Although this is two percentage points lower than the previous year, it still reflects the rapid expansion of our services business from 2020 onwards. Here, women make up a higher proportion of successful applicants, but market pay rates tend to be in the lower quartiles.

We expect our gender pay gap to fluctuate in the near future as earlier acquisitions and divestments impact both the number of employees and the proportional split between men and women. However, as we continue to embed these new businesses, we are confident that we have the right policies and processes in place to ensure equitable access to rewarding careers for women from all backgrounds.

A handwritten signature in black ink, appearing to read 'Tina Whitley', written over a light grey background.

Tina Whitley

Chief Executive Officer

10 December 2024

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.

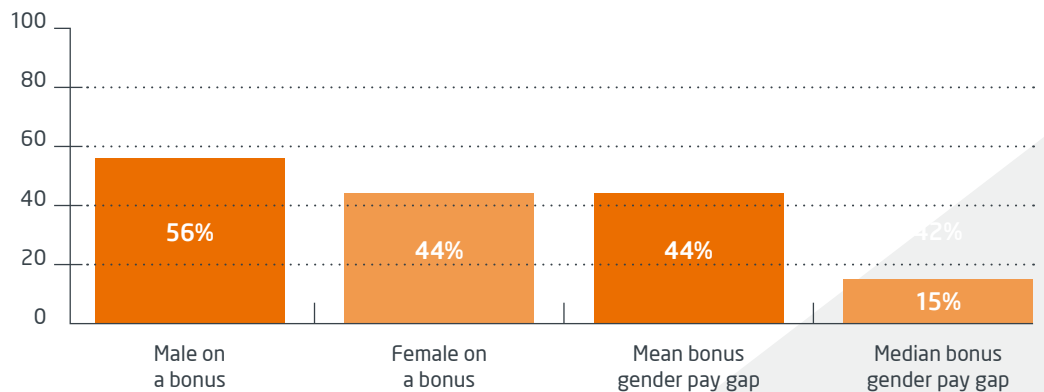
OUR RESULTS

OVERALL GENDER PAY GAP

The data in this report comes from a snapshot taken in April 2023.

- The difference in the mean pay of full-pay men and women is **26%**
- The difference in the median pay of full-pay men and women is **42%**

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 family friendly, part-time roles are treated as full-time equivalents.

GENDER PAY GAP PER QUARTILE

QUARTILE 1:

The proportion of males is 73% and females 27%.

The mean gap is 2% and the median gap is 6%. (2022: 79% males and 21% female)

QUARTILE 2:

The proportion of males is 66% and females 34%.

The mean gap is 2% and the median gap is 3%. (2022: 69% male and 31% female)

QUARTILE 3:

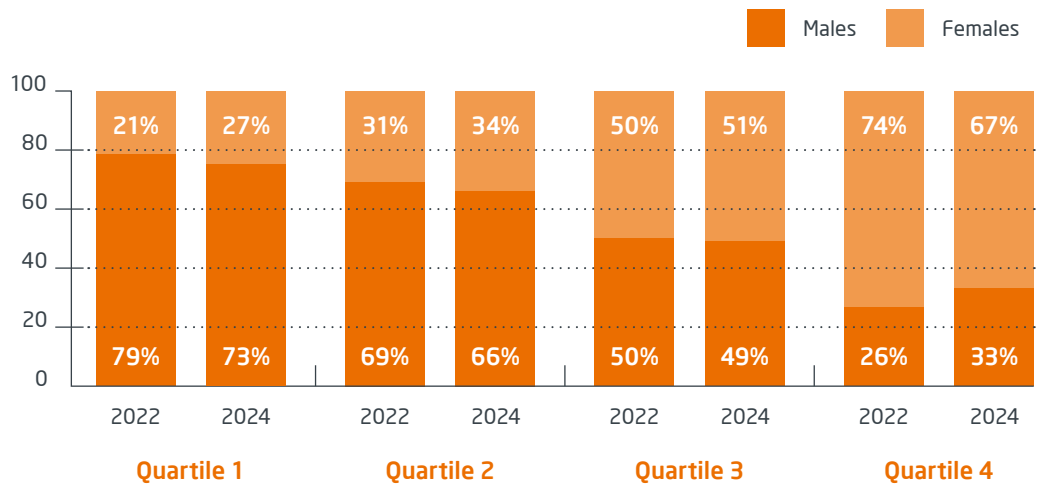
The proportion of males is 49% and females 51%.

The mean gap is 4% and the median gap is 8%. (2022: 50% male and 50% female)

QUARTILE 4:

The proportion of males is 33% and females 67%.

The mean gap is -3% and the median gap is 3%. (2022: 26% male and 74% female)



In addition to the challenge faced by the high tech sector as a whole, these figures reflect the continued expansion of our services business to meet customer demand. Roles in this business typically fall within the lower pay quartiles and are mostly filled by women, which has 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.

LATEST ACTIVITY

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.

