

NHBC

Gender Pay Gap Report

2018

What is gender pay gap reporting?

Under legislation introduced in April 2017, employers with more than 250 employees, such as NHBC, are required to publish details on their Gender Pay Gap. This must include the mean and median pay gaps between men and women, along with information about bonus payments.

What is the difference between the gender pay gap and equal pay for equal work?

It is important to note that a gender pay gap is not the same as an equal pay issue.

The gender pay gap shows the difference in the average pay **between all men and women in a workforce**, regardless of the jobs they carry out.

Equal pay deals with the pay differences between men and women **who carry out the same jobs, similar jobs or work of equal value**. It is unlawful to pay people unequally based on their gender. NHBC regularly conducts equal pay audits, the last of which was completed in November 2018, which concluded there was no indication of an equal pay issue.

Statutory disclosures

Gender pay gap

NHBCs mean gender pay gap



The mean is the average of all male and female pay, calculated by adding all hourly rates and dividing by the number in each population.

Since our first report, NHBC's mean gender pay gap has improved slightly. A detailed analysis has identified that this is as a result of female attrition during the last financial year, leading to a proportional increase in male representation within the lower pay quartiles. In addition, there was a slight increase in proportion of women in the upper pay quartiles as a result of incidental male attrition from this population.

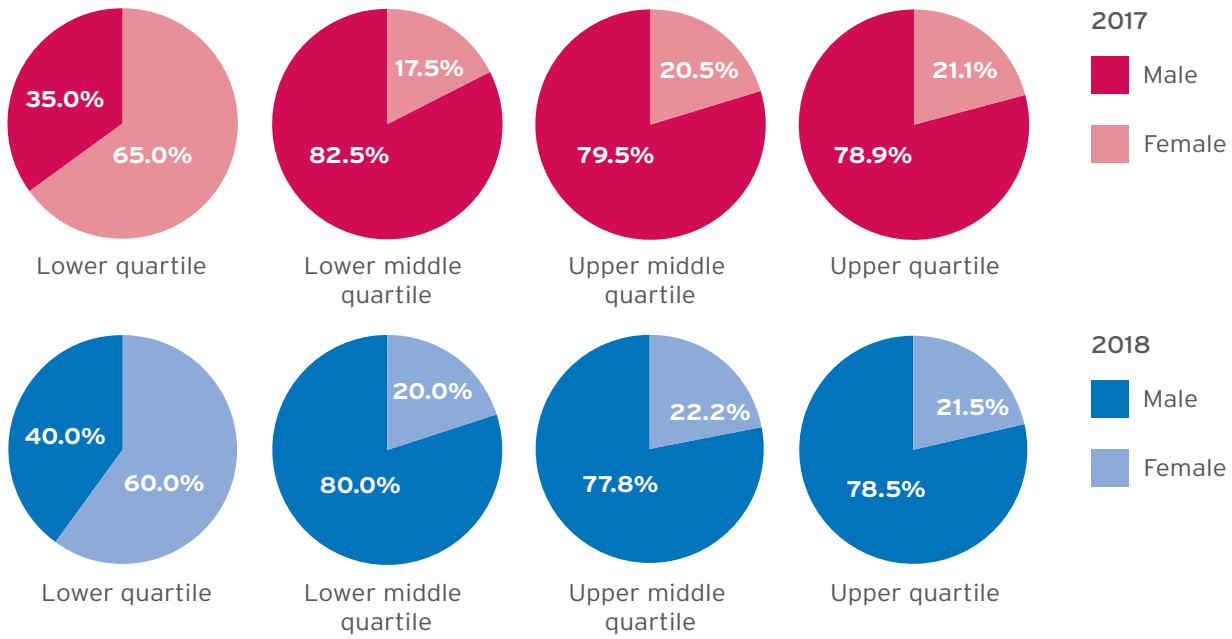
NHBCs median gender pay gap



The median average is the middle value in the data set, when all values are ranged from highest to lowest.

NHBC's median gender pay gap has also improved from 20.60% to 20.37%. There is little difference in the hourly rates paid to men and women in our lower paid roles. The median gap is driven by the larger gap between the highest male hourly rate compared to the highest female hourly rate. Of the 30 highest paid roles for the reporting period only 6 (20%) were held by women, further demonstrating the tendency for our more senior and higher paid roles to be occupied by males.

Proportion of males and females in each quartile



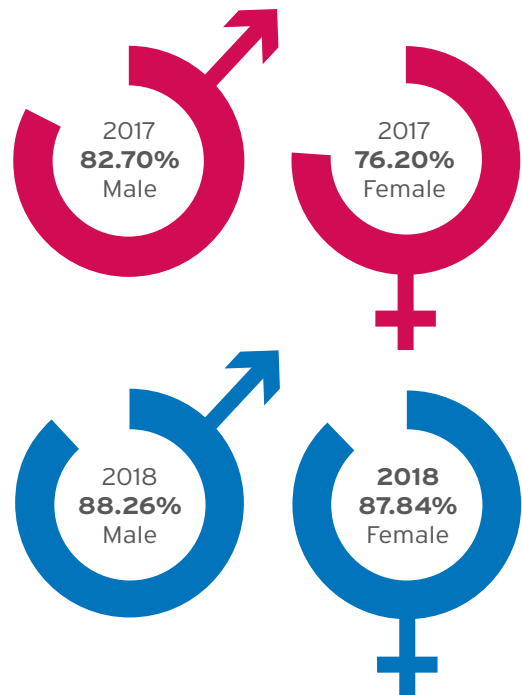
The reduced proportion of females in the lower quartile is due to a higher level of female attrition from this population.

Gender bonus gap

NHBCs mean gender bonus gap



Number of employees receiving a bonus



NHBCs median gender bonus gap



Due to bonus being linked to earnings, NHBC's gender bonus gap continues to be in favour of males and is driven by the overall pay gap. The mean bonus gap has reduced during 2018 however the median gap increased slightly for the same period, due to an increased number of executive bonuses included in the most recent reporting period.

The number of females receiving a bonus in 2018 was 87.84%, significantly higher than the reported 76.20% in 2017 which resulted from a higher proportion of female employees within their probation period at the time of the bonus payment and therefore not eligible.

Our commitment

We recognise that our gender pay gap is driven by under representation of women in our senior leadership and technical positions. This challenge is not unique to NHBC, but also reported by many organisations across for the Financial Services and Construction industries.

We don't expect significant changes in the data year on year, as reducing the gap will be gradually addressed over time. However we do anticipate that the mean gap may increase by the time of our next report (to be published April 2020). This is linked to additional increases applied to some technical roles in 2018 as a result of market pressures.

Understanding our gender pay gap and what drives it is only the first step. We know it will take time and a long term strategy to make meaningful change. We are committed to fostering an inclusive culture and working environment where everyone has the opportunity to flourish, improve and excel.

We are committed to:

Becoming an employer of true flexibility

We want all of our employees to successfully balance their career with their commitments outside of work. Truly embracing flexibility for our workforce will support everyone in achieving this - over time we expect this to help reduce the gender pay gap by creating flexible opportunities at all levels of the organisation.

So, from early 2019 we have:

- Enhanced our approach to flexible working by removing the statutory restrictions from our policy. Employees will not require 26 weeks service to make a request, and there will be no limit on how many requests can be made in a year.
- Improved our annual leave offering with the introduction of holiday purchase - so employees can take more time off.
- In 2019/20 we will be reviewing our approach to family friendly leave to make sure everyone is supported through these important periods of their life.
- This year as part of the #BalanceforBetter campaign for International Women's Day we asked people from across our business to make a pledge they as individuals will contribute to building an inclusive work environment for all.

Helping our talent to excel

As a signatory of the Women in Finance Charter, we are committed to increasing the number of our senior leadership roles which are held by women. Since signing the charter in 2016 we have seen a positive improvement to 37.5% females in this population as at the time of our last report in December 2018. To help achieve this, from 2019 we've introduced an internal network to support NHBC's future female leaders. We will also continue to sponsor the Milton Keynes Women Leaders Awards.

Celebrating diversity

We understand that diversity goes beyond gender and that having a diverse workforce is critical to our future success. We have appointed an executive sponsor to ensure that our approach to diversity and inclusivity continues to be embedded and actively promoted across NHBC.

Since the time of the last report, we have introduced blind recruitment for all roles including senior leadership positions. In addition we continue to deliver unconscious bias training for those involved in the recruitment process so that we attract, employ and retain people from a wide range of diverse backgrounds.

Declaration

We confirm that NHBC's gender pay gap calculations are accurate and meet the requirements of the regulations.



Steve Wood
Chief Executive