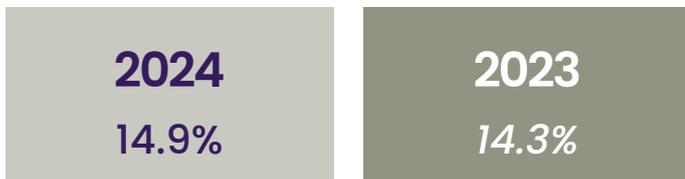


Gender pay gap report

At NHBC, we are deeply committed to fostering inclusion in all its forms, recognising that diversity is one of our greatest strengths and a key contributor to our success. Our goal is to cultivate a culture and work environment where everyone has the opportunity to thrive, grow and excel.

This report is prepared in line with legislative requirements for organisations with over 250 employees. It offers a snapshot of our pay gap as of April 2024, illustrating the difference in average pay between male and female employees across the organisation at that time. This report does not measure equal pay, which relates to how men and women are compensated for the same or similar roles or for work of equal value.

NHBC's mean gender pay gap

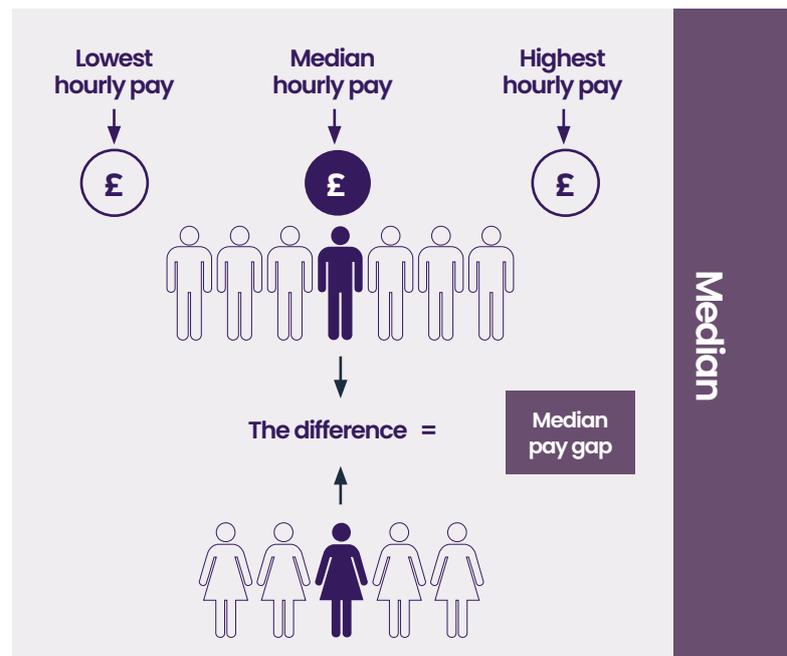
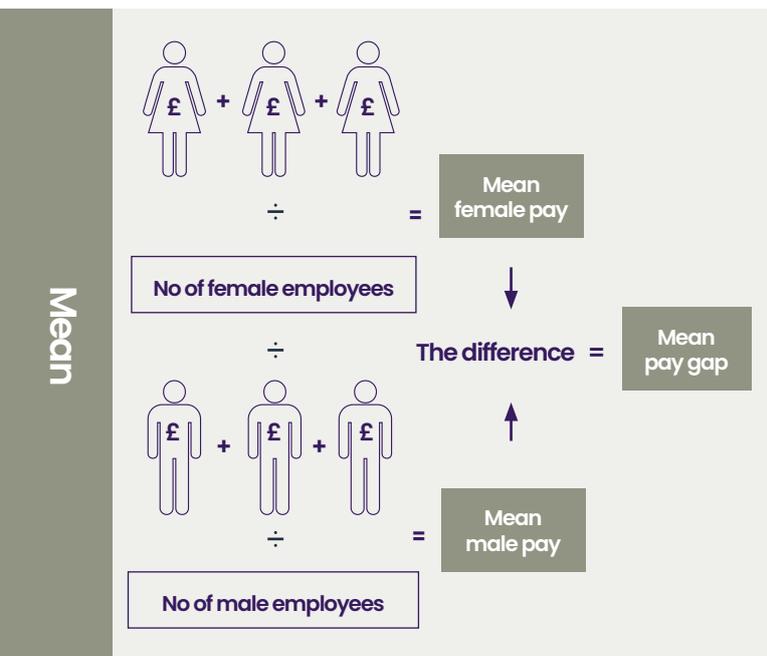


NHBC's median gender pay gap



The mean and median gender pay gaps primarily result from the uneven distribution of men and women across various levels and areas within our business. Specifically, there is a lower representation of women in senior leadership and technical roles, which tend to be higher-paying positions. This challenge is not unique to NHBC; many organisations in the financial services and construction industries face similar issues.

The increase in this year's gender pay gap can be attributed mainly to salary increases implemented in April 2024. Given that a significant proportion of our technical and senior workforce is male, these salary adjustments have had a more pronounced impact on the overall gap.

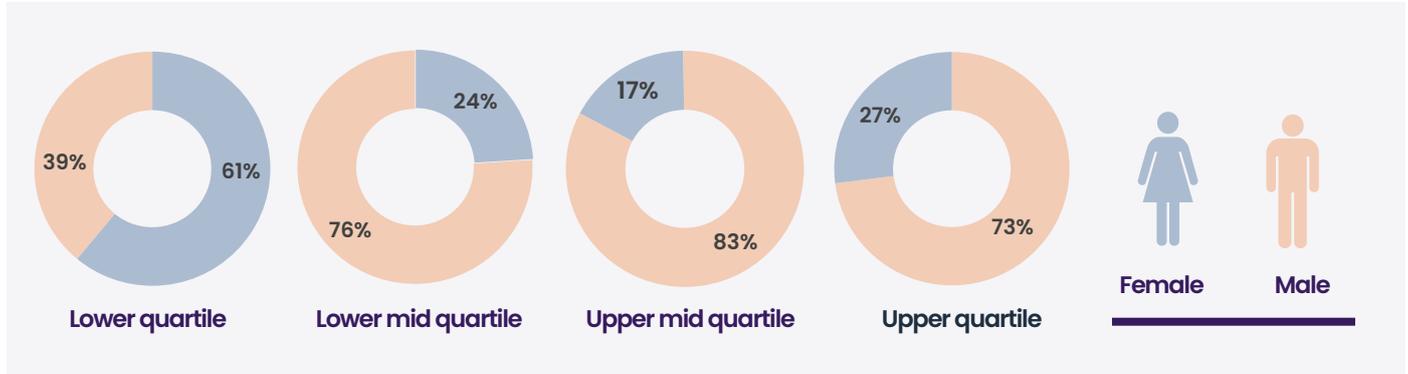




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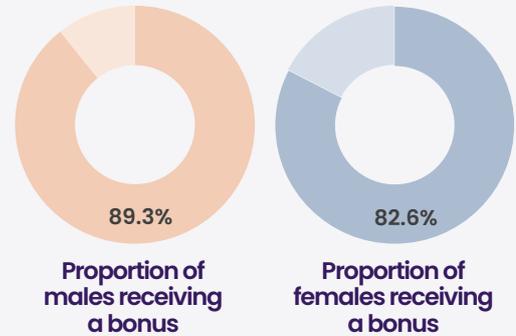
Pay quartiles

Our pay quartile analysis, shown below, reveals the gender distribution across different pay levels. The most notable changes are a slight increase in female representation within the lower and lower-middle quartiles, accompanied by a slight decrease in the upper-middle and upper quartiles.



Bonus

Difference between bonus paid to men and women	Median (middle)	Mean (average)
2024	56.3%	37.4%
2023	33.4%	35.7%



The bonus pay gap reflects the 12 months leading up to April 2024. Eligible employees received bonuses in July 2023, in accordance with NHBC’s annual bonus plan. Several factors contributed to the bonus gap in 2024.

- In 2022, changes to bonus entitlements affected a significant portion of our workforce.
- While the overall pay gap is calculated on full-time equivalent salaries, the bonus gap is based on actual amounts paid. This means that part-time employees, who are predominantly female, received lower bonuses than their full-time counterparts.
- Bonuses are awarded as a percentage of salary, with higher percentages given to senior roles. As women are under-represented in leadership positions, men, on average, received larger bonuses.

The changes in the gender pay gap have been thoroughly reviewed, including by our Remuneration Committee. We are confident that our pay practices are fair and equitable.

Commitment to diversity

We remain dedicated to various inclusion initiatives that not only benefit NHBC but also aim to narrow the mean and median pay and bonus gaps.

Targets

Understanding our gender pay gap and what drives it is only the first step. To understand and address our gender pay gap, senior management has introduced gender and ethnicity targets linked to pay for all employees, with additional targets for senior managers, focusing specifically on increasing female representation in technical roles for the 2024/2025 financial year.

Insights

Turnover data indicated a higher percentage of women resigning than men, prompting individual exit interviews over six months to identify trends. The analysis revealed that reasons for leaving included a lack of career development opportunities for early-career employees and limited part-time working options for those nearing retirement. Addressing these issues is now a priority in our diversity, equity, and inclusion (DE&I) strategy.



Gender pay gap report

Development

This data has also provided insights into the allocation of promotion and development opportunities, allowing us to ensure greater inclusion and representation of diversity in development and project roles. For instance, closer examination revealed fewer women participating in some of the career development opportunities. To enhance inclusion, managers are encouraged to identify and nominate more women for career development opportunities. We are also trialling a career mentoring programme for women with 100% of participants reporting a more positive outlook on career growth at the six-month mark. For more junior women, we are trialling an open cohort women's development programme which has received positive feedback from the first cohort (completed May 2024).

Future activities (2024-2027)

As part of our three-year DE&I strategy, we are committed to several initiatives to increase female representation, including:

- reviewing benefits (maternity pay, family benefits, healthcare)
- launching an attraction campaign for women in technical roles and longer-term initiatives with builders and other housing organisations
- identifying sponsorship opportunities for women.

All DE&I activities will be monitored and measured to assess effectiveness and inform future initiatives.

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

Steve Wood
Chief Executive Officer

Craig Pocock
Chief People Officer



NHBC, NHBC House, Davy Avenue, Knowlhill, Milton Keynes, Bucks MK5 8FP
Tel: 0344 633 1000 www.nhbc.co.uk

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