



Gender Pay Gap Report

2022-23

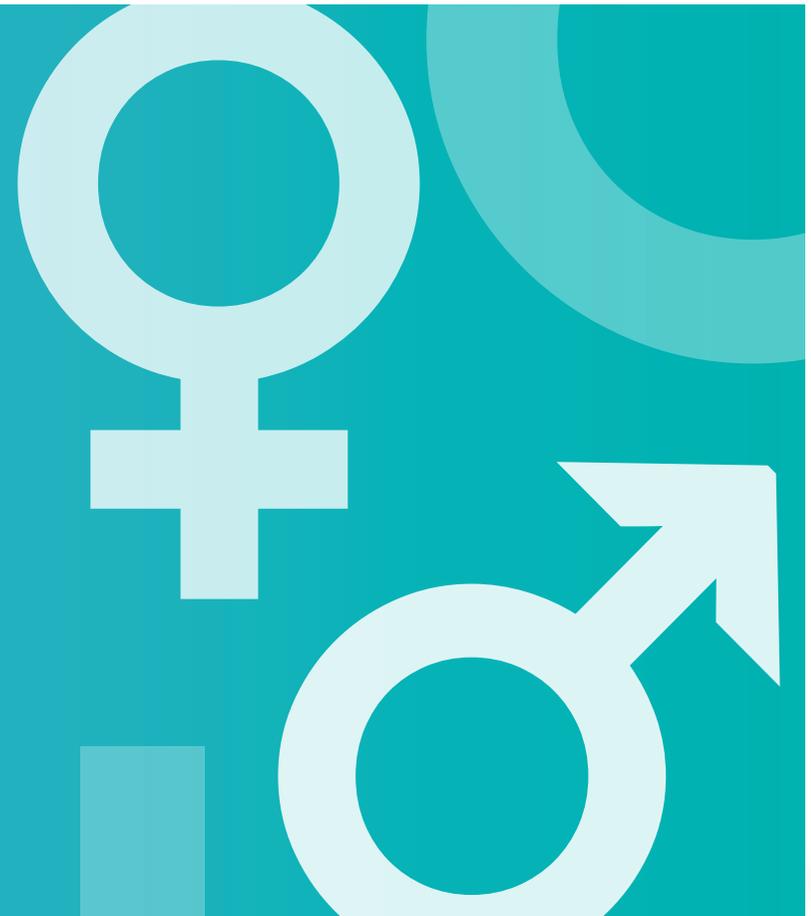
At National Highways we're committed to building a diverse, inclusive and enabled workforce, reflecting the communities we serve. We take action to improve our approach to equality, diversity and inclusion (EDI) through employee feedback and informed by data-driven evidence. Our commitments to the Public Sector Equality Duty also ensure that EDI is a key business priority.

These are the headlines for this reporting period:

- our mean gender pay gap is **5.47%**
- our median gender pay gap is **5.13%**
- our mean bonus pay gap is **10.90%**
- our median bonus pay gap is **4.20%**
- the proportion of male employees receiving a bonus is **86.15%** and the proportion of female employees fractionally lower at **86.05%**.

You'll find definitions of all these terms on page 7. It's worth noting that we continue to compare favourably to the public sector median benchmark of 14%* and the private sector median benchmark of 18.9%. Our median gender pay gap is also lower than the overall national average of 7.7%.

*Source: Annual Survey of Hours and Earnings, Office for National Statistics.



What are we doing to address the pay gap?

We continue to focus on how we attract more women to work for us – not just in senior jobs, but in all roles across the whole of the organisation.

To help us achieve this we have been showcasing the overall employment package we can offer to new and existing employees. Our flexible working policy introduced in the summer of 2022 is particularly important – as are our maternity, paternity and family-friendly leave policies.

Flexible working is an option for everyone in the organisation, regardless of their role, their seniority or their gender. As well as being attractive to female candidates with caring responsibilities, it's opened new opportunities for male candidates who want to take on that role. Among the steps we've taken to embed the concept in the organisation is a new e-learning module designed to help people managers understand its true importance.

Retaining our best talent is just as important to us as attracting new talent to the organisation. In 2022 23.7% of the female population in our talent pool are women, compared to 18.4% of male colleagues.

We provide ways to gather feedback to inform our thinking and give colleagues a forum to share ideas. We introduced an electronic exit survey to all employees leaving the company which provides an opportunity to flag any concerns and enable us to follow up on feedback via HR.

Our Equality Impact Assessment (EqIA) process has been revised and made easier to use, helping to remove barriers when business changes are implemented. For example, when procuring a replacement contract for uniform and PPE we identified the need to ensure all employees, including those requiring adjustments for (but not limited to) all forms of disability, menopause, pregnancy and faith, have access to uniform and PPE to meet their specific needs.



We continue to support our employee networks to deliver a range of activities to help raise understanding of people's lived experience. Among them is our Connected Women network – to which we appointed a male Executive sponsor to further break down gender stereotypes. This year, the network hosted a conference on International Women's Day to talk about digital innovation and technology for gender equality. The event included hearing from external speakers as well as our own National Highways' women sharing their journey and experiences.

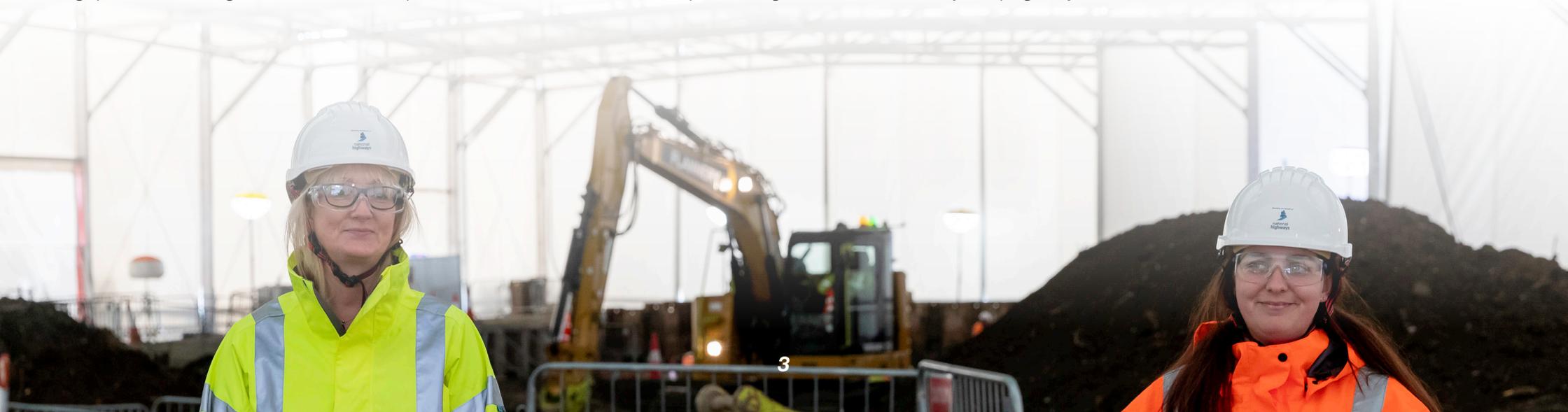
We're also building our reputation as an inclusive employer through partnerships. We work with Women in Science and Engineering to focus on areas where we can improve gender balance across the organisation. We also work with other specialist organisations such as the Employers Network for Equality & Inclusion (ENEI), Stonewall, Employers for Carers and Business Disability Forum to benchmark ourselves against best practice and keep up to date on current EDI trends.

Is what we're doing working?

In this last reporting period we had 1,267 joiners, of which 477 - 37.6% - were female. The headline figure included 89 graduates and apprentices, of whom 44 were women. To put it another way, 49.4% of our early talent intake in 2022-23 were female.

Our last employee engagement survey also showed that at 56%, female colleagues are more likely to stay working at National Highways than male colleagues at 48%. The engagement score for females is also 5 percentage points above our organisational average which is 67%. This was combined with an 82% favourable response to the question 'I am treated fairly, equally and with respect' and an 89% favourable response to 'I am satisfied with the flexibility I have in my work schedule'.

Diversity and inclusion continues to be one of our top company strengths in our employee engagement survey (72%) for the fourth year running, giving evidence that our approach to creating an inclusive and respectful environment is delivering positive results. On pages 4-6 you'll find a full breakdown of our gender pay gap statistics. Page 7 has a full description of the terms we use when presenting the statistics. Finally, on page 8 you can read about our focus for the future.

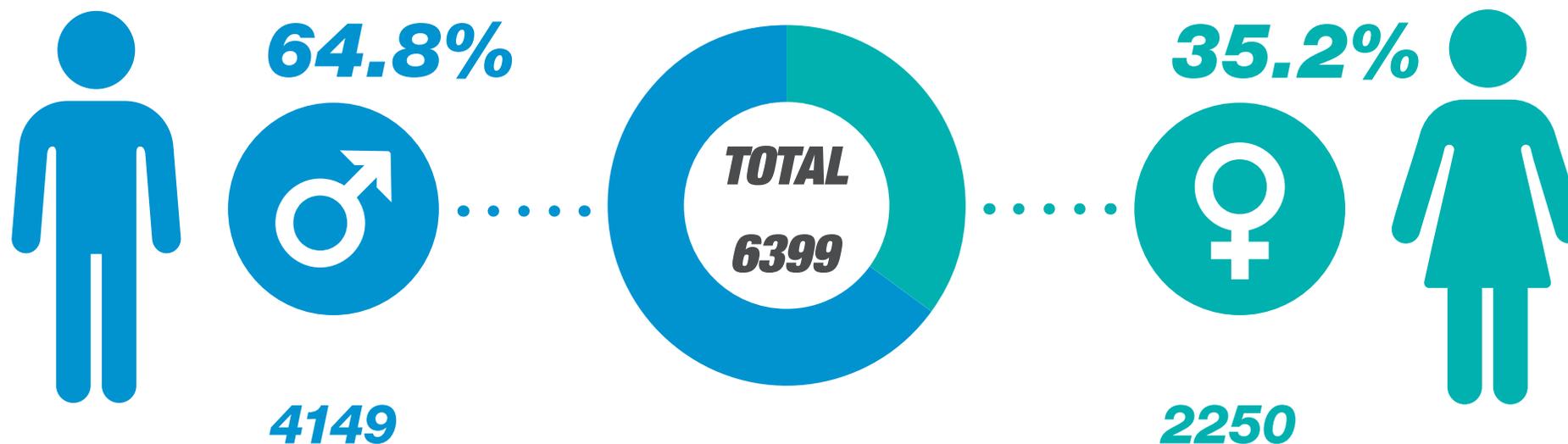


Our gender pay gap statistics

Number of relevant employees by gender

Gender	Percentage	Number
Female	35.6%	2366
Male	64.4%	4281
Grand Total	100.00%	6647

Number of full pay relevant employees by gender



Full-pay relevant employees are all employees employed on 31 March snapshot date who are either:

- paid their usual full basic pay – including paid leave – or paid for piecework during the pay period in which your snapshot date falls
- paid less than their usual basic pay or piecework rate, but not because of leave (for example, because they have irregular working hours)

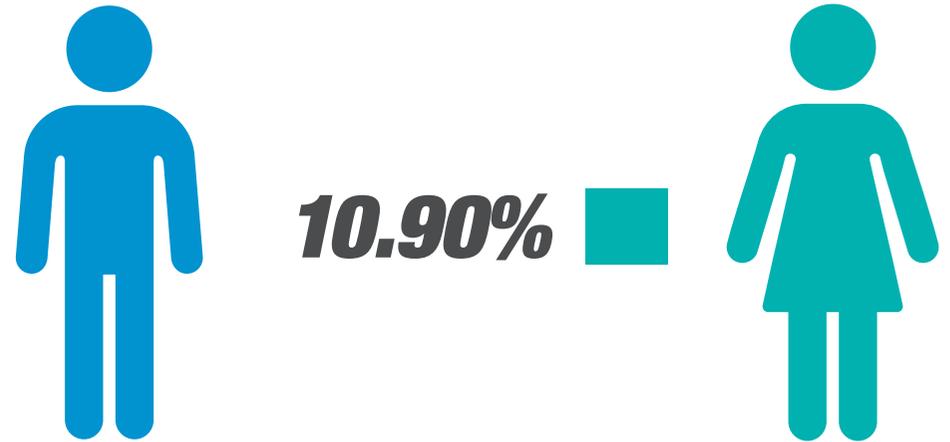
Relevant employees are all employees employed on 31 March who either:

- have a contract of employment – including employees who are part-time, job-sharing, and on leave
- are self-employed, where they must perform the work themselves – that is, they are not permitted to subcontract any part of the work or employ their own staff to do it

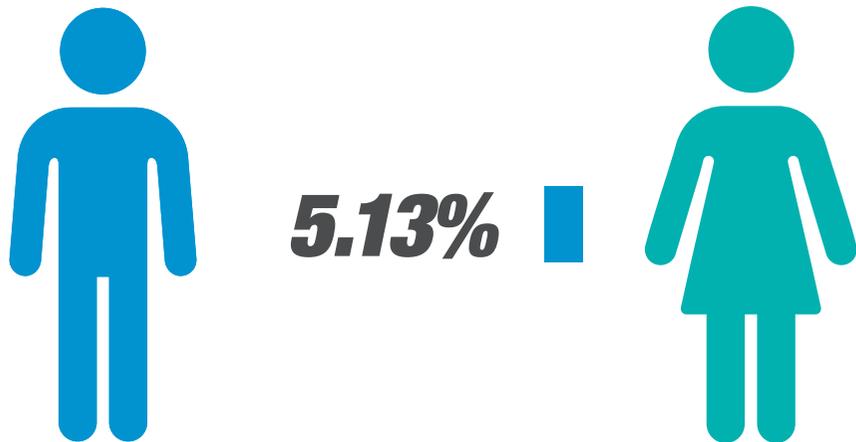
Mean gender pay gap



Mean gender bonus gap
(payroll bonus + High5 + ERR*)



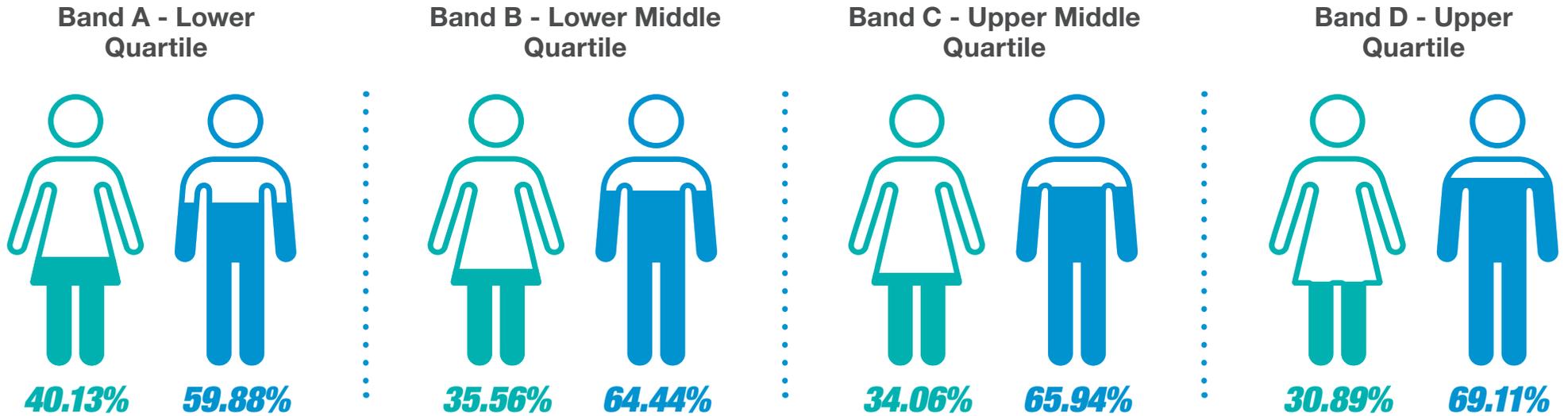
Median gender pay gap



Median gender bonus gap
(payroll bonus + High5 + ERR*)



Pay quartiles



Proportion of employees receiving bonus

Gender	Number of employees who received bonus	Number of all relevant employees as at 31/03/2023	Grand total
Female	2036	2366	86.05%
Male	3688	4281	86.15%
Grand Total	5724	6647	86.11%

GPG Report Criteria	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/23
Mean gender pay gap	5.40%	7.3%	5.9%	6.9%	6.6%	5.47%
Median gender pay gap	-1.40%	9.6%	2.2%	4.4%	4.5%	5.13%
Mean gender bonus gap	11.90%	10.1%	7.7%	15.7%	15.6%	10.90%
Median gender bonus gap	0.70%	5.0%	-3.4%	1.5%	6.2%	4.20%

An explanation of the terms used in this report

Mean pay gap

The mean pay gap is the difference between National Highways total salary spend per female employee and total salary spend per male employee. The number is then calculated by taking the total wage bill for each and dividing it by the number of women and men employed by National Highways.

Median pay gap

The median pay gap is the difference in salary between the middle ranking female employee and the middle ranking male employee. By placing all the women and men working at National Highways into two lines in order of salary, the median pay gap will be the difference in salary between the woman in the middle the line and the man in the middle of the respective one.

Pay gap vs equal pay

The gender pay gap and equal pay are often referred to and confused as the same issue. Equal pay is the legal requirement that women and men and women are paid equally for doing the same job under the Equality Act 2010. The pay band structure within National Highways ensures we pay our female employees equally to our male employees.

Gender terminology

The gender pay gap reporting guidelines outline the requirement to differentiate pay between men and women. This means we are unable to include statistical data on other genders within National Highways. Whilst we have used the gender terms 'female' and 'male' in a binary way within this report, we recognise that some individuals do not identify as a man or woman and in our diversity monitoring information we include an option for individuals to self describe their gender identity.

For the purpose of this report and the narrative around it we have used 'women' and 'female' interchangeably. As part of our approach to creating a respectful, inclusive and diverse culture we continue to promote our Gender Identify Policy and encourage our colleagues to share their pronouns in email signatures in support of our trans, intersex and non-binary colleagues.



Our focus for the future

- Our Reasonable Adjustments policy and process will be improved to enable our colleagues to be their best at work through the timely implementation of supported means.
- A comprehensive Inclusive and Accessible guide will be developed to assist all areas of the organisation in creating content free of gender bias in language or imagery, accessible for colleagues with differing needs and designed to help us communicate better with our customers.
- We'll continue to maintain our focus on attracting, developing, and retaining diverse talent. We'll also help our colleagues be the best they can be in an environment built to enable the success of our people, our organisation and our sector.
- We'll be exploring ways to increase the reach of our recruitment advertising, which will include targeting job seekers who are looking for more flexible working opportunities. We will be refreshing our Licence to Recruit training for managers to ensure it remains inclusive and in addition, we are creating a new interview skills workshop.
- An EDI Dashboard will be developed to further support our evidenced based decision making on diversity and inclusion.
- We will be holding data and insight sessions with our employee networks to inform our future delivery plans and policy reviews.

I, Elaine Billington, Chief People Officer, confirm that information in the report is accurate.



Date 13/03/2024

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