

nccgroup[®]

GENDER PAY GAP REPORT

April 2024



Foreword

In a world of constant change, challenging market dynamics, and transformation across the Group, we remain absolutely committed to playing our part as a business to improve gender representation through a combination of gender inclusive talent attraction, development and retention programmes. Additionally, we continue to support organisations which work to encourage and advocate for girls and young women to pursue careers in Cyber.

In this report, I'm pleased to share we've increased our female representation, and an ongoing trend in female colleagues progressing from lower, to higher pay quartiles. Although the overall trend demonstrates improvement, progress is still slower than we'd like and, in some cases, continues to fluctuate year on year; there remains work to do.

As a people-powered, tech enabled business, we're proud to support our colleagues to challenge and disrupt the disproportionate socio-economic pressures for women to take on caring roles within family units. We encourage and enable our people to work flexibly; with the long-term objective of building a truly equitable culture at NCC Group.

Pay gaps are not a reflection of whether a company pays its male and female colleagues equally for like-for-like work, they're a reflection of whether genders are represented equally throughout different levels in a business, and we continue to be challenged by these social and cultural disparities.

While there is some changing of the tides, there is an inevitable lag on the number of women we see as applicants and candidates with the experience to fulfil senior level vacancies. As a consequence, our upper and upper middle quartiles are typically still more highly represented by men.

We are working hard to offer apprenticeship opportunities to our colleagues to facilitate internal progression and to attract, develop and retain talent at all levels of our business. We expect to see continued year-on-year improvement in our gender pay gap as an outcome, acknowledging that while true equality takes time, there is always more we can do to get there faster.



Michelle Porteus

Chief People Officer

OVERVIEW

01

Gender Pay Gap

02

Reporting

03

Our 2023 results
All UK

04

Our Current &
Future Focus



What is the gender pay gap?

Gender Pay Gap reporting is not the same as Equal Pay.

Equal Pay

Supported by the Equality Act 2010, women and men have the legal entitlement to be paid at the same rate for the same work, for work rated as equivalent, and for work of equal value.

It's unlawful to pay people unequally on the basis of gender and, for all our pay reviews, we assess all roles against external benchmarks through an independent company, Mercer, to ensure all colleagues are paid fairly for the role they hold.

VS

Gender Pay Gap

Gender Pay Gap reporting does not measure the difference in pay between men and women doing the same, similar or equal value roles.

Instead, it's a measure of the difference in the average hourly earnings (excluding overtime) between all men and women across the company. In this document, we report on this as a whole, as well as across four equally divided quartiles.



How is it calculated?

Gender Pay Gap - Mean

This is calculated by adding together all the hourly rates for men and, separately, for women and working out the average hourly rates for each group.

The difference between the two is then expressed as a percentage.

Gender Pay Gap - Median

Median reporting looks at the mid-point of each population.

If we separately lined up all our colleagues by gender in order of the lowest hourly rate of pay to the highest hourly rate of pay, the median pay gap is the difference in hourly pay between the woman in the middle of one line, compared to the hourly pay of the man in the middle of the other line.



Reporting

Under UK legislation, organisations with 250 or more employees must report on their gender pay gap on the snapshot date each year. This year's report is based on the snapshot date of 5 April 2023.

We're legally required to report on:

- The difference in the mean and median pay of full-pay received by men and women
- The difference in the mean and median bonus pay for men and women
- The proportions of men and women who received bonus pay
- The proportions of full-pay received by men and women, split into four quartiles



How is it calculated?

Pay Quartiles

Pay quartiles are calculated by looking at the hourly rate for all full pay colleagues across the business from lowest paid to highest paid.

These are then distributed into four equally sized groups and we report on the percentage of men and women in each quartile.

Bonus Pay Gap

The mean and median bonus pay gaps are calculated in the same way as the gender pay gaps using hourly rates.

The bonuses paid to men and women in the 12 months leading up to the snapshot date is used for these calculations.



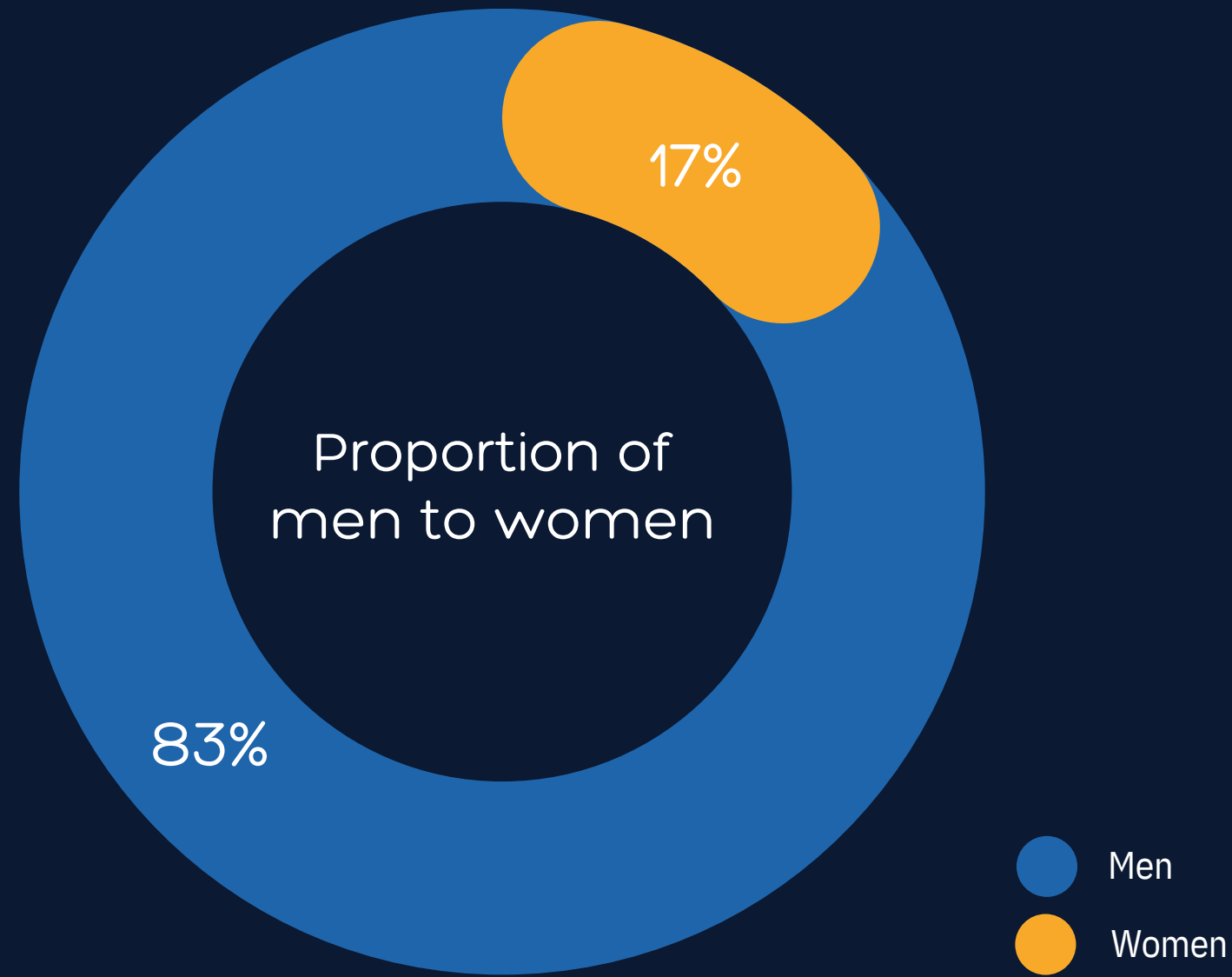


Our 2023 results

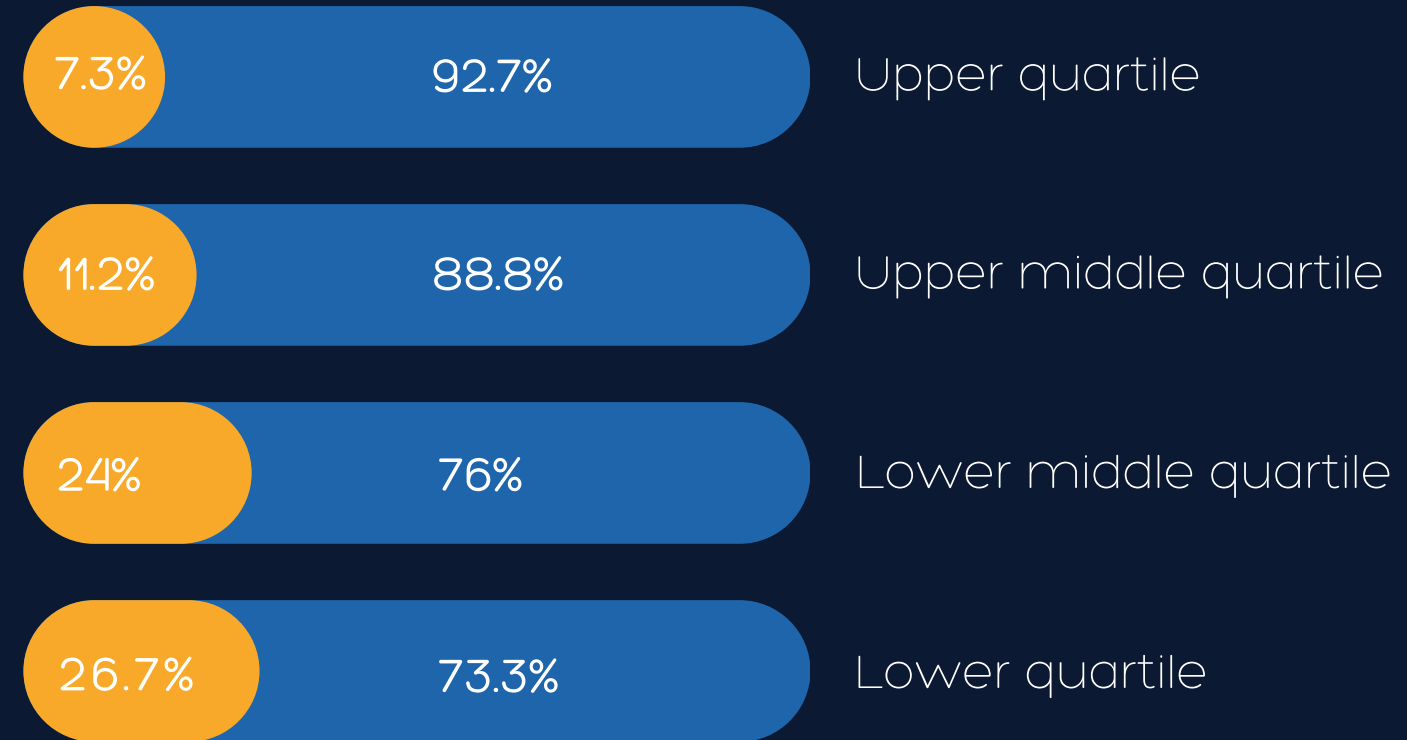
All UK

For the 12 months
ending 5 April 2023

NCC Security Services Ltd



In NCC Security Services Ltd, there remain significantly more men than women. After an increase in women by 3 percentage points (ppts) in 2022, it fell back again by 1 ppt in 2023.



Pay Quartiles

In 2023, women occupied 7.3% of the highest paid roles, which is a reduction of 1.3 ppts when compared with 2022.

However, the upper and lower middle quartiles have both seen an increase in the proportion of women with uplifts of 0.5ppt and 3.1ppts respectively.

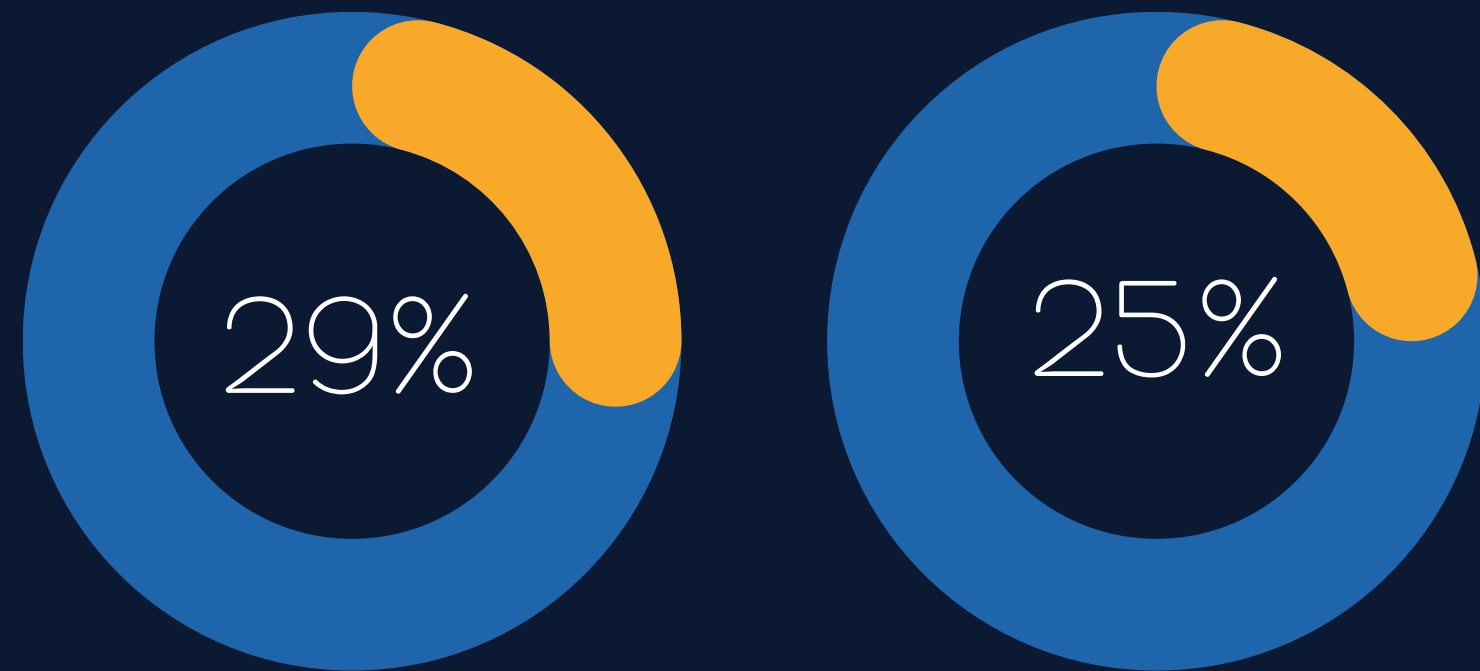
Combined with the 4.3ppts reduction of women in the lower quartile (from 31% in 2022 to 26.7% in 2023), this is linked to the upward movement of women within the organisation and reduction in recruitment activity which focuses on people at the beginning of their careers.

NCC Security Services Ltd

Gender pay gap

Median pay gap

Mean pay gap



Men Women

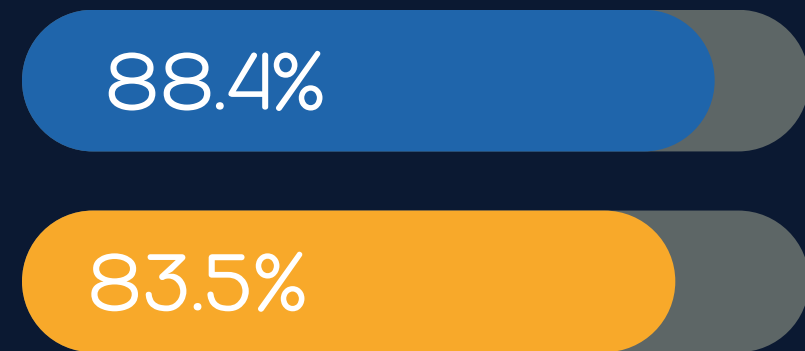
Across all roles in NCC Security Services Ltd, women earned 71p for every £1 earned by men when comparing median hourly pay, which shows an increase of 7p when compared to 2022. While this marks progress, women's median pay remains 29% lower than men's (compared with 36% lower in 2022).

When comparing mean (average) hourly pay in this part of the business, women's mean hourly pay was 26% lower than men's in 2022 and 25% lower than men's in 2023. This means that women earned 75p for every £1 earned by men in the last reporting period – an improvement of 1 ppt on 2022.

NCC Security Services Ltd

Bonus pay gap

Received a bonus

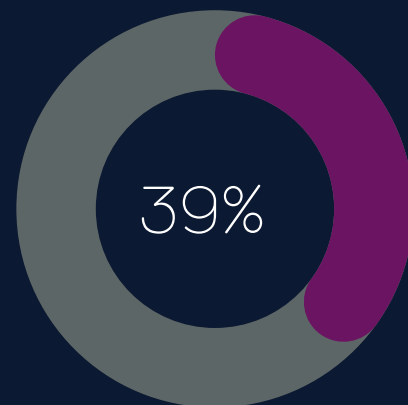


- Men
- Women

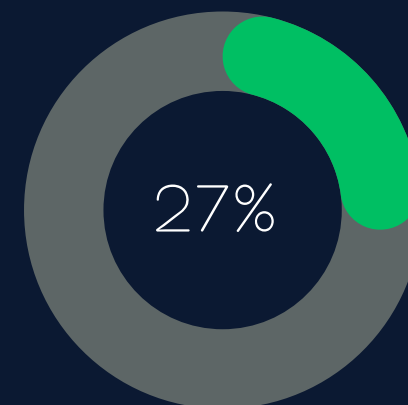
In 2023, women receiving a bonus in NCC Security Services Ltd earned 61p for every £1 earned by men, which is an uplift of 16p when compared to 2022 (45p).

When comparing mean (average) bonus pay, there is however a widening gap of 6ppts in 2023 (27%) compared with the mean bonus gap of 21% in 2022.

Median bonus pay gap

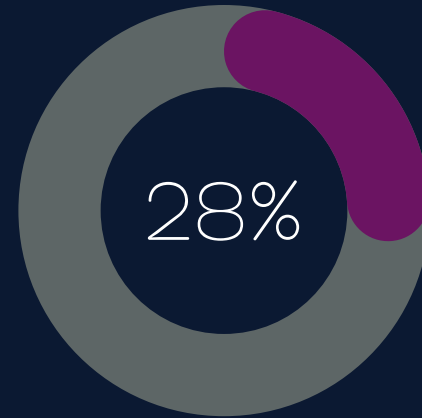


Mean bonus pay gap



All UK Gender pay gap

Median
pay gap



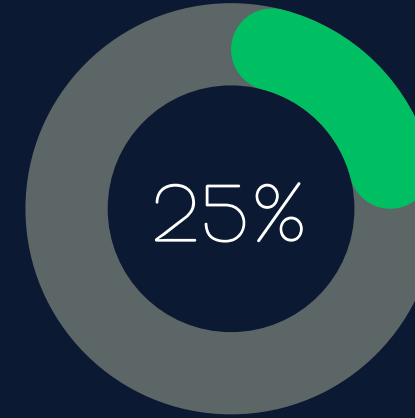
Improved by 5ppts since 2022

There has been improvement across most entities in all performance indicators for both median and mean hourly pay. We have significantly more men than women in most of our senior roles and this continues to impact our gender pay gap.

In the UK, the women's median hourly pay was 28% lower than men's in 2023, which is an improvement of 5ppts when compared to 2022 (33%).

The women's mean hourly pay was 25% lower than men's, which is an improvement of 1ppt when compared to 2022 (26%). In 2023, women earned 75p for every £1 earned by men.

Mean
pay gap



Improved by 1ppt since 2022

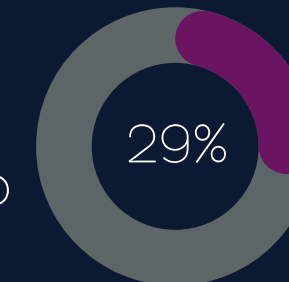
The mean pay gap in NCC Security Services Ltd was also 25%, and was also a 1ppt improvement on 2022 (26%).

The biggest improvement in narrowing the hourly pay gap is seen in NCC Group Corporate Ltd (UK) where the median pay gap improved by 12ppts to just 4% and the mean hourly pay gap improved by 7ppts.

The median and mean pay gaps widened drastically in Software Resilience when comparing the previous year. As this is a small entity, any changes to headcount will have a significant impact on the result. In addition, when comparing 2022 with 2023, the proportion of senior female earners reduced by 66.7%, and this has directly impacted the mean pay gap.

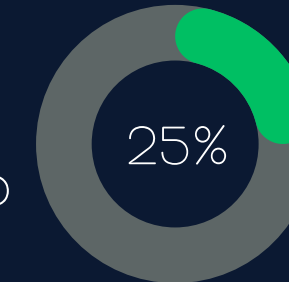
NCC Security Services Ltd

Median
pay gap



Improved by 8ppts since 2022

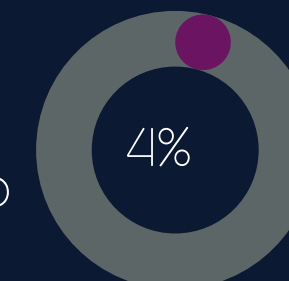
Mean
pay gap



Improved by 1ppt since 2022

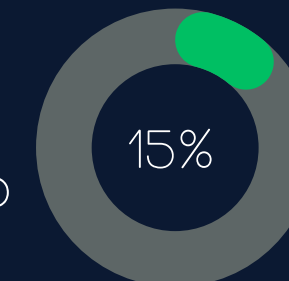
NCC Group Corporate Ltd (UK)

Median
pay gap



Improved by 12ppts since 2022

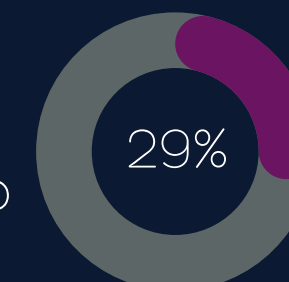
Mean
pay gap



Improved by 7ppts since 2022

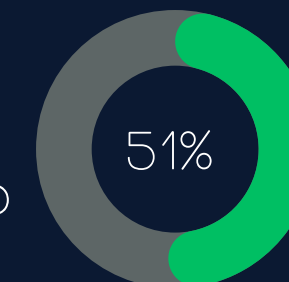
Software Resilience (UK)

Median
pay gap



Declined by 6ppts since 2022

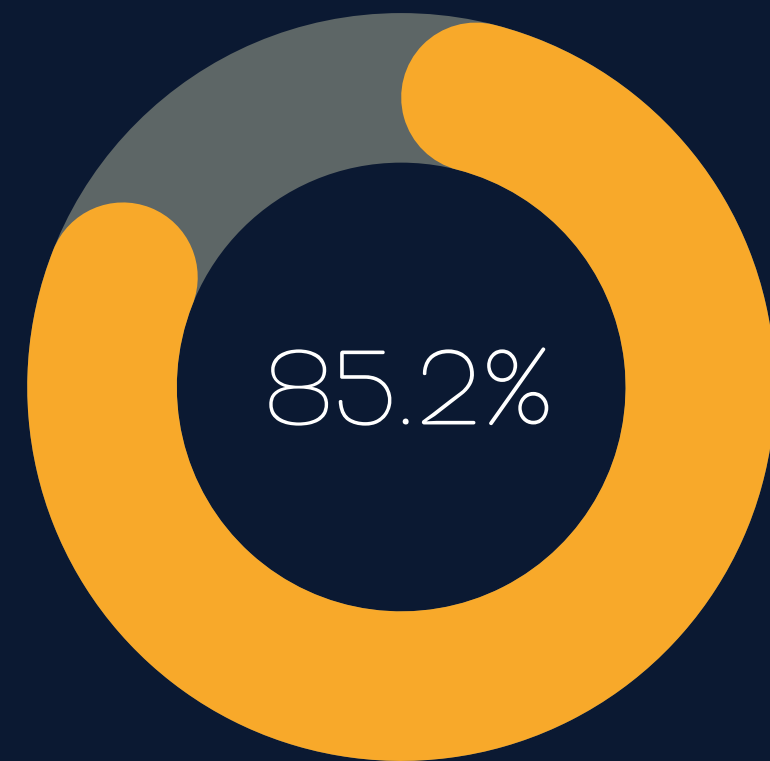
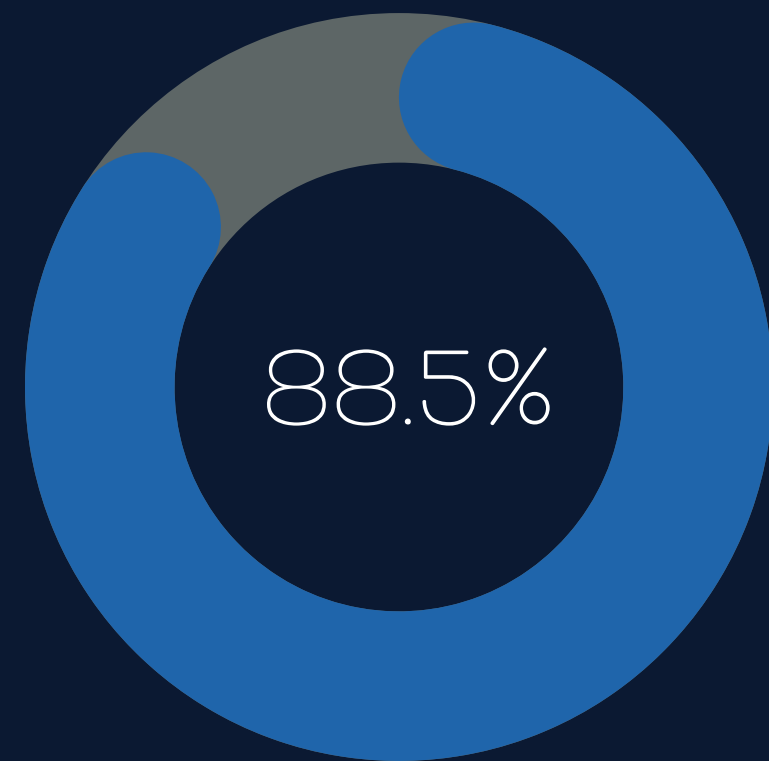
Mean
pay gap



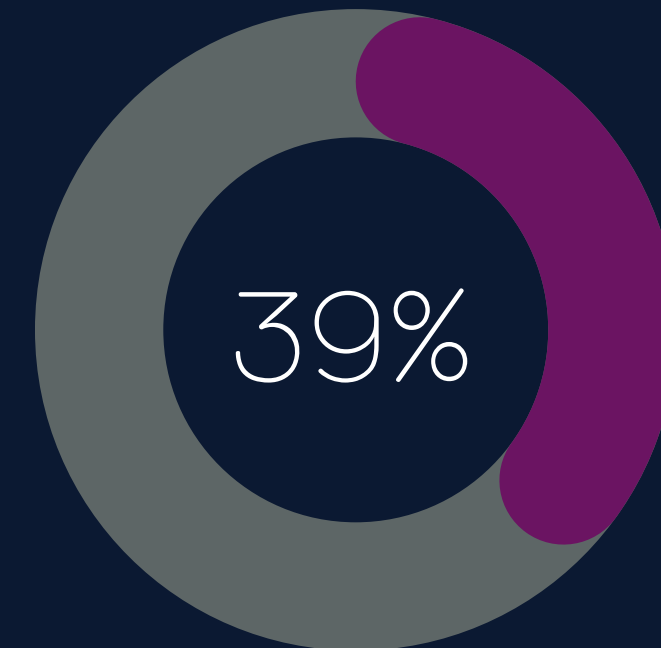
Declined by 23ppts since 2022

All UK

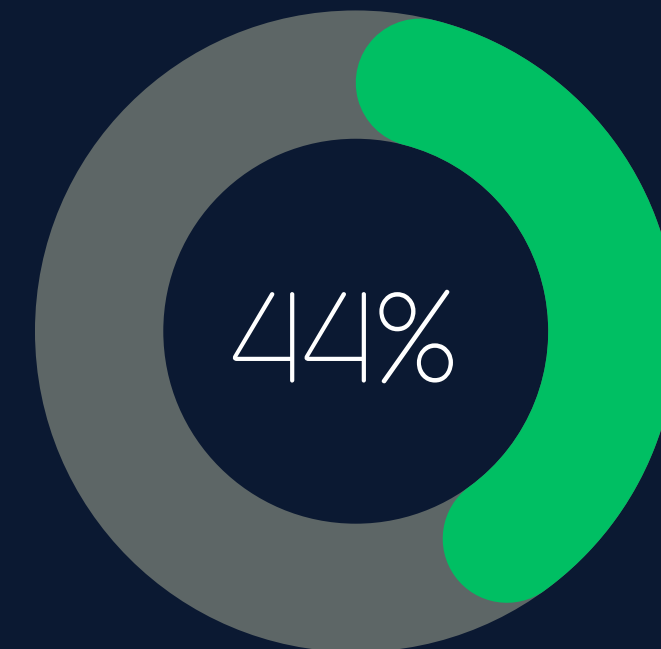
Received a bonus



Median
bonus
pay gap

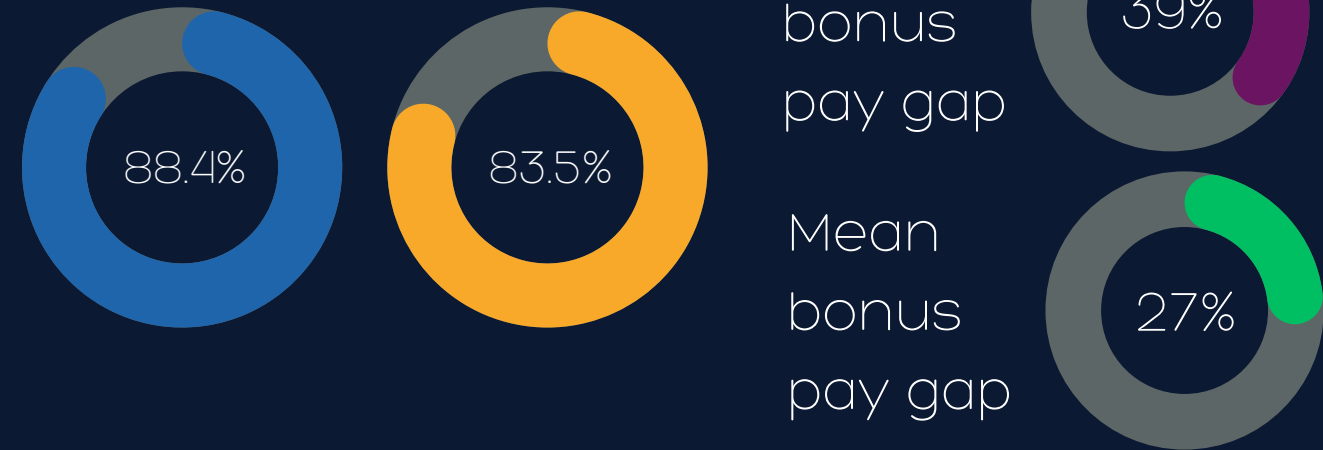


Mean
bonus
pay gap

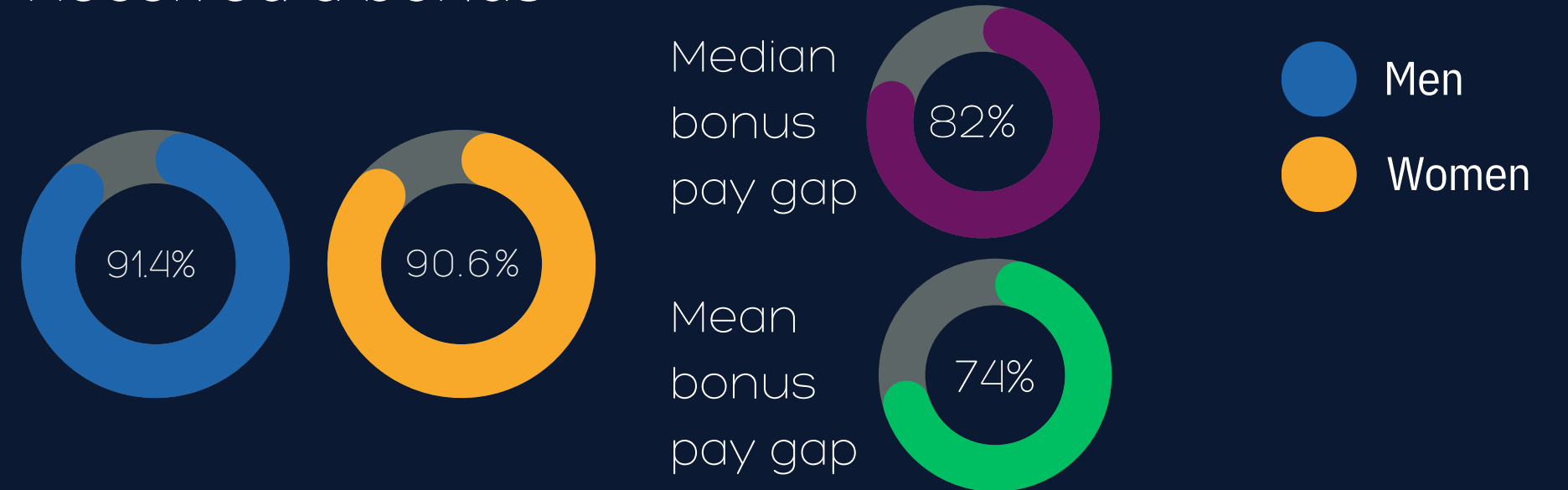


Men Women

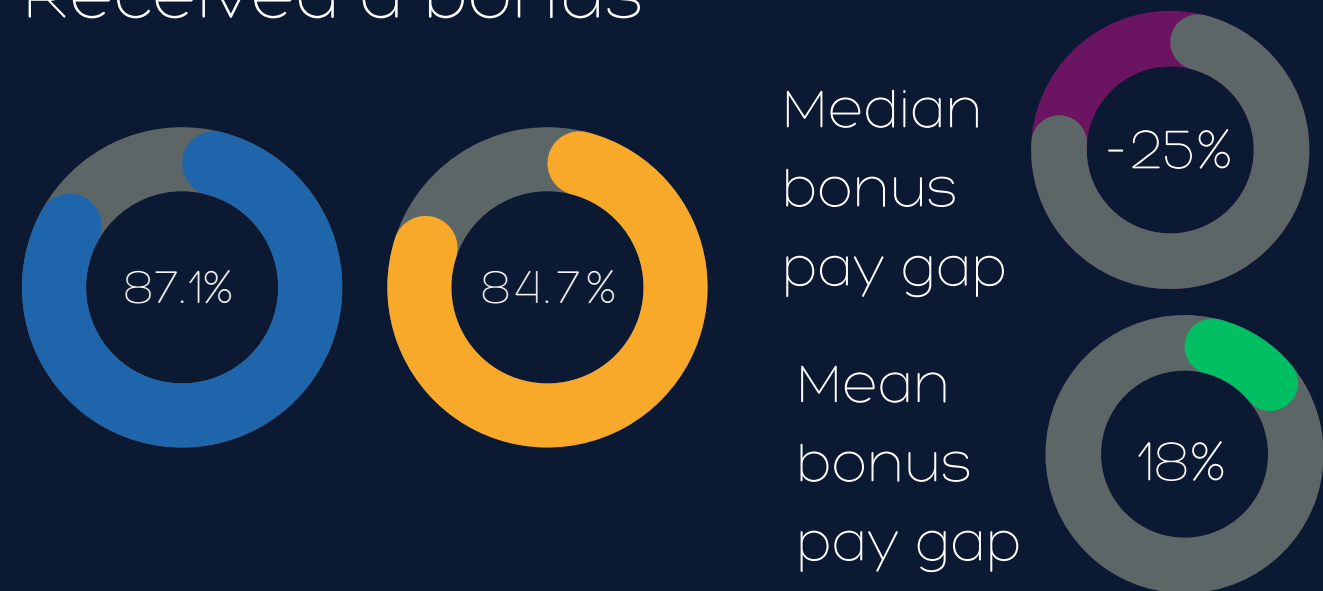
NCC Security Services Ltd Received a bonus



Software Resilience (UK) Received a bonus



NCC Group Corporate Ltd (UK) Received a bonus



Across 'All UK', the bonus gap improved by 11 ppts to 39% in 2023. This means that women at NCC Group collectively earned 61p for every £1 collectively earned by men, when comparing median bonus pay. This is a positive increase of 11p, when compared to 2022.

In NCC Security Services Ltd, the 2023 median bonus pay gap has also seen a significant improvement (16ppts) when compared to the previous year, standing at 39%.

Within NCC Group Corporate Ltd (UK), we report a negative median bonus pay gap (-25%) which means that women collectively earned £1.25 for every £1 collectively earned by men.

Across 'All UK', the mean bonus gap has improved significantly (34ppts) from 52% in 2022 to 18% in 2023.

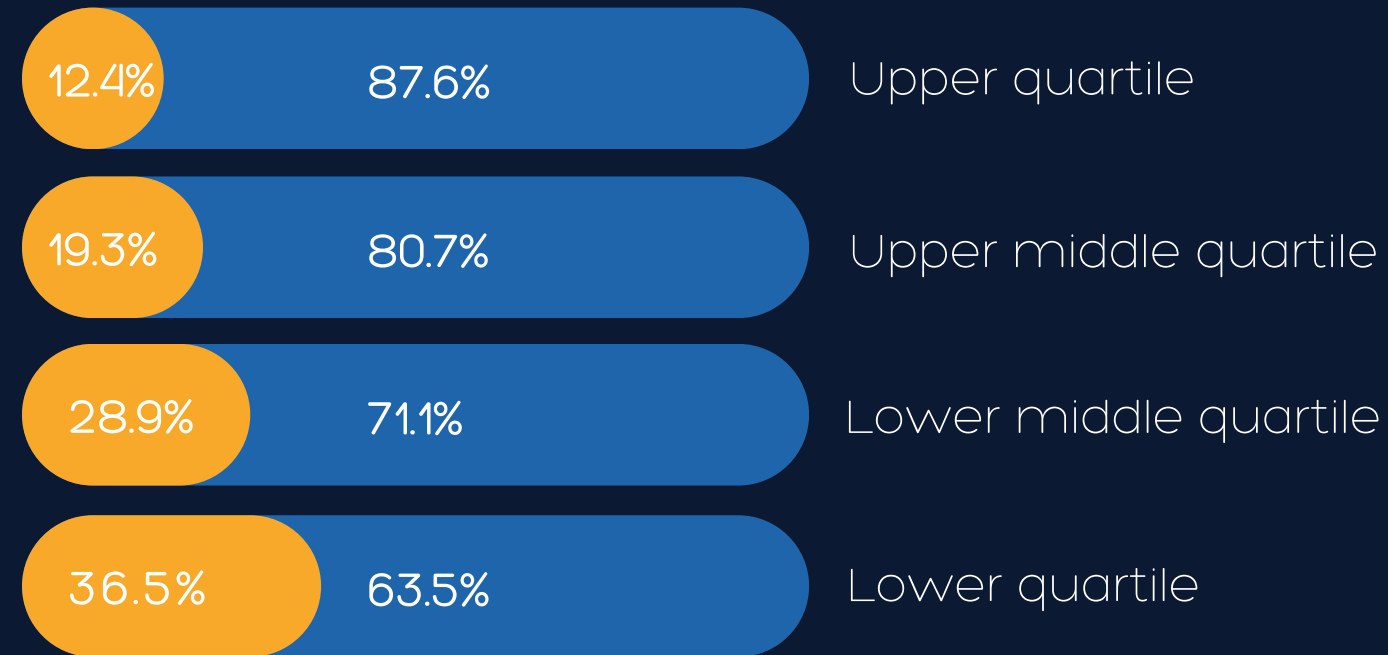
These gaps can be attributed to women now accounting for 40% of the top bonus earners.

In Software Resilience, the median bonus gap has increased by 10ppts bringing the median bonus pay gap to 82%, while the mean bonus gap has only seen a slight increase of 1 ppt from 73% in 2022 to 84.7% in 2023.

The gap is attributed to the top bonus earners being men.

All UK

● Men ● Women



Pay Quartiles

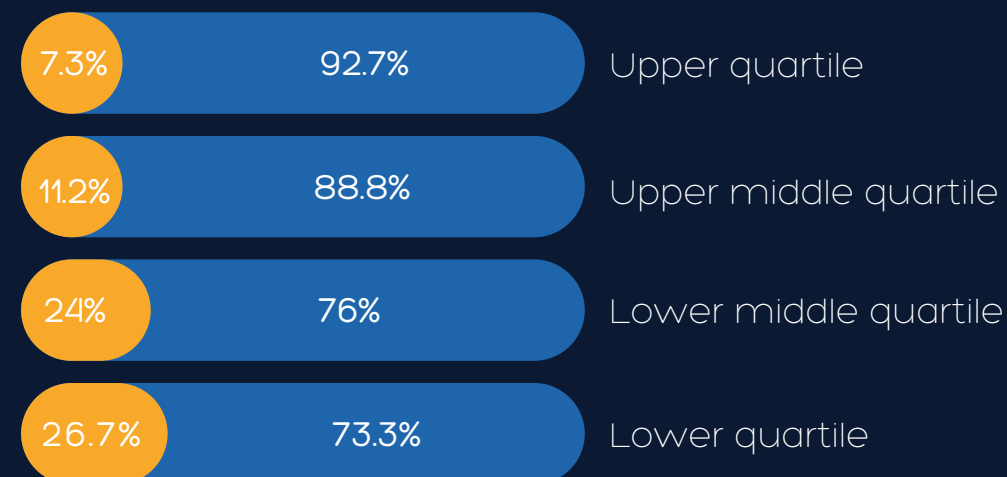
Across all UK businesses and all pay quartiles, we have seen improvements. The more significant improvements are found in the lower middle quartile where the number of women has increased by 4.9% and the lower quartile which reduced by 5.5%. There has also been a slight increase in the upper and upper middle pay quartiles which indicates an increase in the number of senior women in the business. Female representation in NCC Corporate has seen increase of 3.9% in the upper middle quartile.

In 2022, women occupied 31% of the lowest paid jobs across the Group. In 2023, this figure reduced by 4.33%, representing a decrease in the number of women at this level. Additionally, we saw an increase of 3.12% in the lower middle quartile, when comparing 2023 with the previous year.

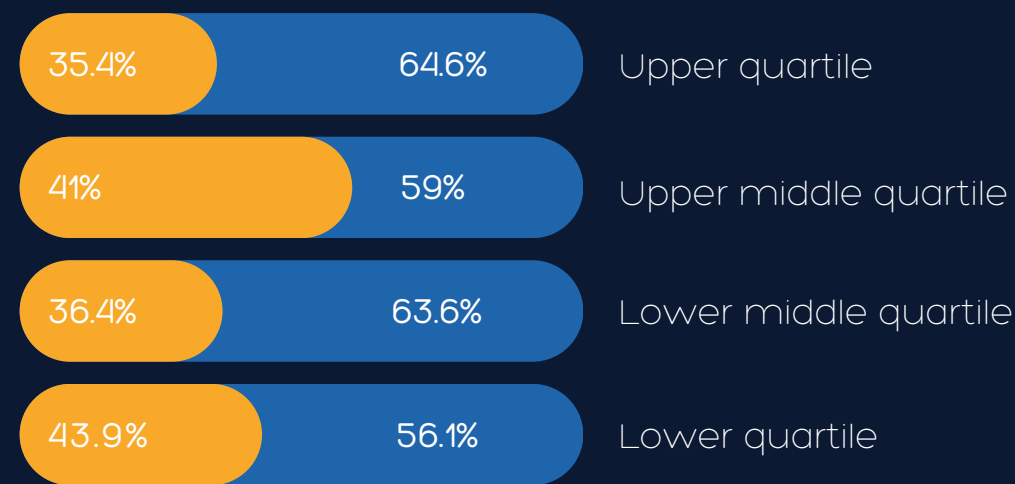
In NCC Security Services Ltd, we employ significantly more men than women, and in 2023 the proportion of women decreased by 1%.

In Software Resilience, there is a slight increase in female representation in the upper middle quartile, however there is a relatively larger decline of female representation in the upper quartile, which has seen a reduction of 15.18% when compared to the previous year. This can be linked to the reduction in number of senior female colleagues and movement within the Group to the new entity.

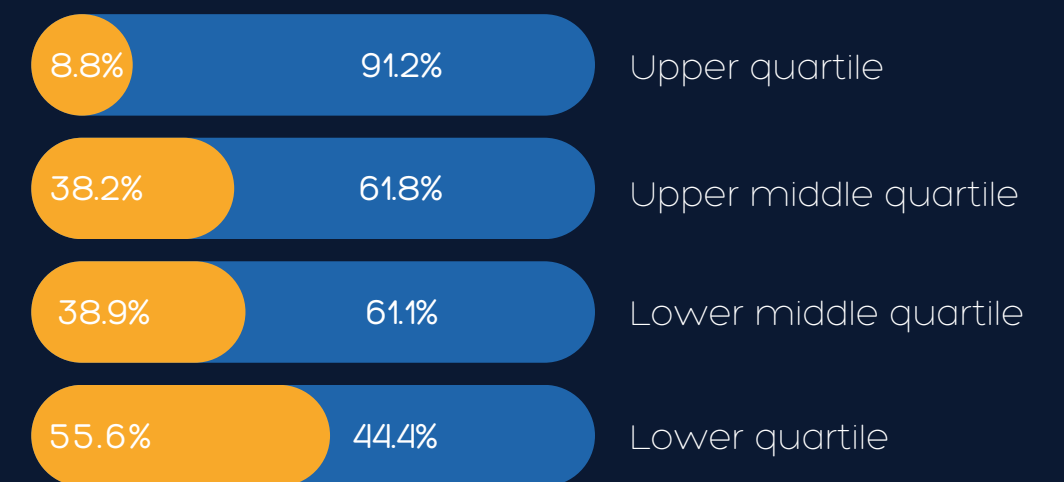
NCC Security Services Ltd



NCC Group Corporate Ltd (UK)



Software Resilience (UK)



Our current & future focus

In the 12 months since 5 April 2023, the snapshot date for the data in this report, we've rolled out a programme of activity around 'Living our Values' and hosted 'Valuing our Culture' workshops, which aim to equip our people with the tools to call out any behaviour or bias they feel creates a barrier to the evolution of our culture.

Our global transformation work has also created more opportunities to drive gender inclusion improvements, both internally and externally. When recruiting to new, senior roles, we use psychometric assessments to support the process; providing greater insight into behavioural indicators, motivators and alignment to our values.

In our Chief Operating Officer's Service & Delivery Function, we've introduced a more transparent and formal promotions process. This aims to eliminate any perceived or actual gender bias which may have resulted from the previous informal process.

The new process supports the recruiting panel to review applications on their merits, and better understand the diversity of our talent pool within the technical job family.

Working with our steering groups and colleagues across the business, we have developed our Speak Up policy, which we plan to launch globally in the coming months.

In particular, the Gender Steering Committee have launched their FY24/25 strategy, sponsored by our Chief Technology Officer.

Group members contribute with their experience and know-how to identify and illustrate the essential policies necessary to drive NCC Group towards a truly gender-equal culture and better representation of gender across the organisation. Their objective is to close key gaps in economic opportunities and empowerment.

Through continuous evolution, the next generation of NCC Group will help us be even more inclusive and progressive as we unlock the potential and strengths that come with diversity.

Our new Annual bonus plan and structure introduced in FY24 provides more robust measures for senior leaders to ensure consistency in calibration and their subsequent awards of bonus payments, supporting us in addressing our bonus gap.

We also monitor gender and job level as part of restructuring and redundancy processes, to fully assess and understand the impact.

This is particularly important where a large number of graduate and junior level roles are impacted, as it could disproportionately disadvantage women due to the tendency for a higher representation of women in these groups.

Over the coming year, we will continue working on the implementation of our job level framework which has enabled us to better understand and analyse the gender split at each level of the Group, and take appropriate action to deal with any potential disparities in pay and job levels.

Our work to further embed Living our Values, our behavioural framework, will build further on our global commitment to gender inclusion through cultural and systemic practices, allyship and a sound understanding of the challenges the unrepresented can face, and their lived experiences.



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