



Gender pay gap report 2023/24

—
Representation and compensation as at
31 March 2024

nestpensions.org.uk

Introduction

The long-term commitment to close our gender pay gap continues and we're making progress. This latest report shows what we've achieved over the 2023/24 financial year and what we're doing next.

The gender pay gap refers to the percentage difference between average hourly earnings for all men and women. This is not to be confused with equal pay, which partly looks at the pay disparities of men and women being paid differently for doing the same job.

We are pleased to have seen a decrease in the mean hourly gender pay gap over the past year from 14.8% to 12.7%. This is the smallest gender pay gap at Nest since reporting began in 2017.

Women continue to make up 51% of our staff. Like in the previous year, we have recruited more women than men in the past 12 months. However, we've also seen more women leave than men.

And when looking at our pay quartiles, we can see there is still over representation of women at the lower end.

We need to do more to attract, retain and develop women at Nest across all quartiles. Tackling these issues is a long-term plan to which we are committed.

Over the past year our work includes:

- the launch of new policies, co-created with our gender working group, including equal parenthood leave and to ensure colleagues are aware of the support available when going through fertility treatment and pregnancy loss.
- an ongoing commitment to flexible working.
- learning opportunities for all, including a leadership programme involving our female colleagues from ethnic minority backgrounds.
- putting gender balance at the heart of our recruitment offering to ensure women from all walks of life actively apply for our roles.

Take a look through the report to see in more detail what we've been working on and what's happening next.



We've made some good progress over the past year and I'm pleased to see this reflected in the latest data. We must remain fully focused on achieving fair and equal representation of women across all pay quartiles and do everything possible to retain and develop women at all levels of the organisation. As we move forwards, we will consolidate our current initiatives, whilst challenging ourselves to do more.



Ian Cornelius
Interim Chief Executive Officer

What we've done this year

We're making progress in closing our pay gap. Here are the highlights from the past 12 months.

Promoting flexible working

We continue to promote flexible working and job-sharing opportunities to attract a diverse range of applicants and ensure all hiring managers give full consideration to flexible working arrangements.

And, at a time when many organisations are reverting back to universal working patterns and mandatory office hours, we remain open in our approach, recognising the positive impact of flexible working.

Improving our policies and processes

To improve equality and support our colleagues in important life moments such as becoming a parent, we reviewed our family leave policy and launched an equal parenthood policy so colleagues feel supported when they choose to have a family. Since the launch of the policy, two male members of our executive team have taken shared parental leave. We hope this will encourage more men to take parental leave which we know has a positive impact in reducing the pay gap, minimising the wider motherhood penalty, as well as attracting and retaining talent.

The launch of our new fertility treatment policy aims to support individuals who undertake such treatment or whose partners do so.

Our new pregnancy loss policy provides support to those who have experienced the loss of a baby.

We've updated our 'keep in touch' days to better support women who are/will be on maternity leave.

These policies continue to ensure we provide an equitable and supportive environment for women across the organisation.

Attracting and recruiting diverse talent

Over the last year we have made good progress updating our website, including the flexible and agile working and equal parenthood sections. This is to show we're an organisation that recognises the importance of equality and work life balance.

Over the last year we have made good progress updating our website, with dedicated DE&I content in the careers section where job searchers look. This showcases the positive work that we're doing to promote equality at Nest.

We also remain committed to ensuring an inclusive recruitment process by anonymising applications at the shortlisting stage and utilising software so our recruitment campaigns and job descriptions are created with gender-natural language.

We continue to advertise vacancies on job boards such as Women Returners, Working Mums and Timewise Jobs.

We have reviewed the succession plans for our senior roles to identify the diversity of successors. We now have a gender balanced list of successors for our Director and Executive level posts.



I just wanted to say how much I appreciated the thought that went into the job ad, particularly how accommodating and inclusive it was – the acknowledgment to different working needs, specifically flexibility and the openness to discussing different ways of working.

After reading and scrolling past so many job ads, with zero reference to differing needs, seeing the Nest ad immediately created a safe space for me to acknowledge my situation and the need to balance my parenting responsibilities without feeling like it would be detrimental to my chances. I'm incredibly grateful that it was consciously included – thank you.



New Colleague

Putting DE&I front and centre

To change mindsets, behaviours and create an organisation where diversity, equity and inclusion is deeply embedded in our culture, we have carried out a number of initiatives, including investing in DE&I training for our leaders and managers.

The majority of our directors have attended a two-day programme to support them become DE&I role models and we will continue our DE&I investment in this area so our most senior colleagues lead the way with clarity and confidence.

And we have updated our resource hub with training across a variety of DE&I topics, including LinkedIn learning courses, podcasts, toolkits and webinars, enabling managers and their teams to upskill their knowledge.

Developing our people

Providing women with greater opportunities to grow and develop at Nest is a cornerstone of our plans to close the pay gap. Of the 14 internal moves / secondments over the past year, 10 were female colleagues.

We have continued to promote personal learning accounts that provide £2,500 towards training and development for all our colleagues. Following a 2 percentage point increase in women accessing their accounts in the previous year, we're pleased that this has grown by a further 9% this year. Our Learning and Development team remains focused to ensure women across Nest utilise their account and look for all opportunities to promote it, such as attending our regular gender working group meetings.

We hosted a LinkedIn Learning event where colleagues were encouraged to engage with a diverse range of modules suited to their individual passions and vocations.

We launched a development programme which has seen four women from ethnic minority backgrounds sponsored by members of our senior leadership team. The programme helps to open doors which may not be accessible through usual routes and includes bespoke workshops on topics such as 'future proofing your career'. The feedback from the first year has been positive, with one participant also enrolling in the 'Pathway Programme', a project aimed at growing and empowering women through learning. We will track the progression of this group over the next year to understand its true impact.

Listening and learning from each other

The more we listen to our colleagues, the more we establish two-way dialogue where everyone feels valued.

We have reviewed a number of policies in conjunction with our gender working group. We have also shared proposals and obtained feedback from 'Your Voice', our staff forum, before finalising decisions.

A good example is the introduction of free menstrual products to our office. This was discussed and suggested by the gender working group; we listened and implemented.

And to ensure we do more to retain women, we have recently reviewed and refreshed our leavers survey to gain robust data and made the process easier via an intuitive digital platform.

Taking a lead in our industry

We're a leading member of the 30% Club Investor Group and are proud that a Nest colleague is co-chair. This group campaigns for at least 30% representation of women on global corporate boards and has engaged with companies in the US, Japan, Korea and China to set out expectations for improvements and establish clear policies. In the past year, a number of companies have improved female representation following our dialogue.

Gender diversity on UK boards continues to improve. In 2023, the FTSE 350 exceeded its 40% target for women on boards well ahead of its December 2025 deadline. The figure is now 42.1%.

At Nest, we recruited three women to our board in June 2023, taking our percentage of female representation to 63%.

Our gender pay data for 2023/24

Our data shows the impact of our actions and highlights where we need to focus next.

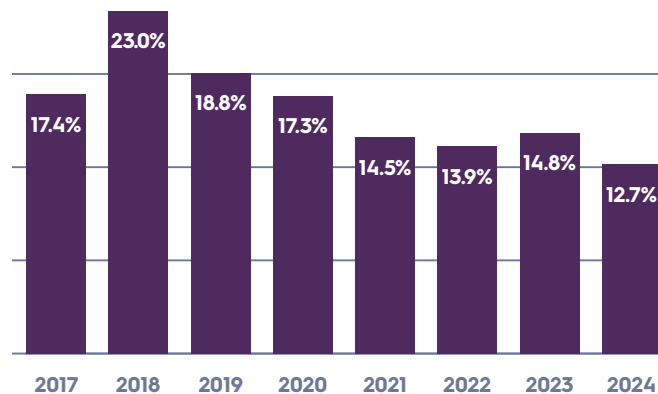
Mean hourly pay gap

A gap of 12.7% in 2023/24. That works out to be £5.23 per hour.

This is a decrease of 2.1 percentage points from 2022/23, when the mean gap was 14.8% and £5.71 per hour.

Since we first reported our gender gap in 2017, it is a reduction of 4.7 percentage points.

- There has been a 2% increase of women in the upper quartile compared to last year.
- In contrast to last year, there has been a 5% decrease in the number of men at Nest, which would have impacted the gender pay gap.



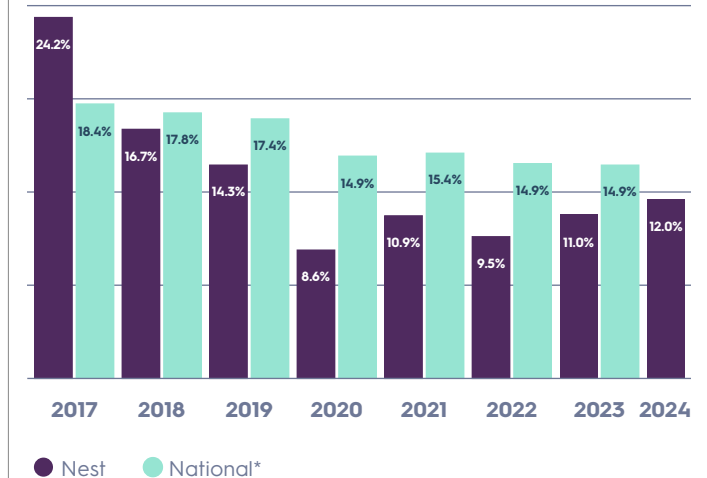
Median hourly pay gap

A gap of 12% in 2023/24. That works out to be £4.26 per hour.

This is an increase of 1.0 percentage point from 2022/23, when the mean gap was 11% and £3.69 per hour.

Since we first reported our gap in 2017, it is a reduction of 12.2 percentage points.

- The median hourly pay gap at Nest has remained below the national average pay gap since 2018.

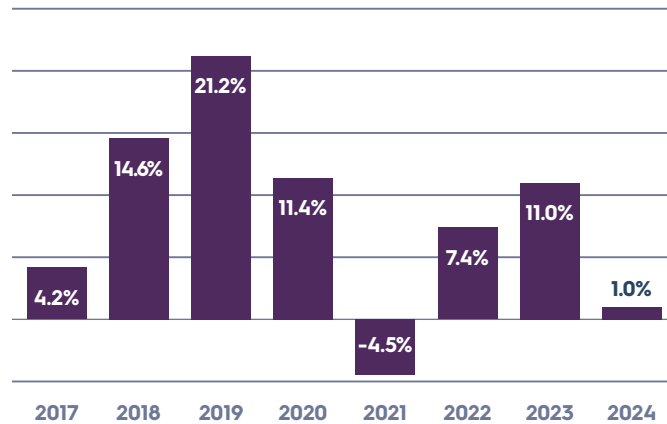


*Source: Office of National Statistics - Gender Pay Gap in the UK 2023

Mean bonus gap

A gap of 1% in 2023/24. This works out to be an average bonus gap of £19.29.

This is a decrease of 10 percentage points from 2022/23, when the mean gap was 11% and £45.74.



Median bonus gap

There is no gap in 2023/24. Women and men at Nest received the same median bonus. This has been the case for the past four years.



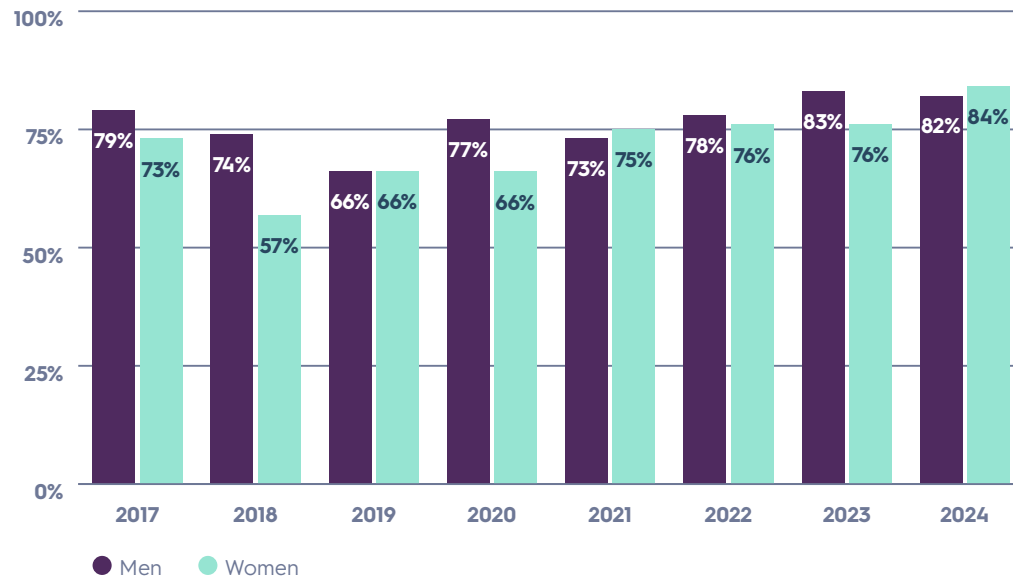
Proportion of men and women who received a bonus in 2023/24

84% of women received a bonus in 2023/24, the highest percentage since reporting began in 2017. This is an increase of 8 percentage points from the previous year.

82% of men received a bonus in 2023/24, a decrease of 2 percentage points on last year.

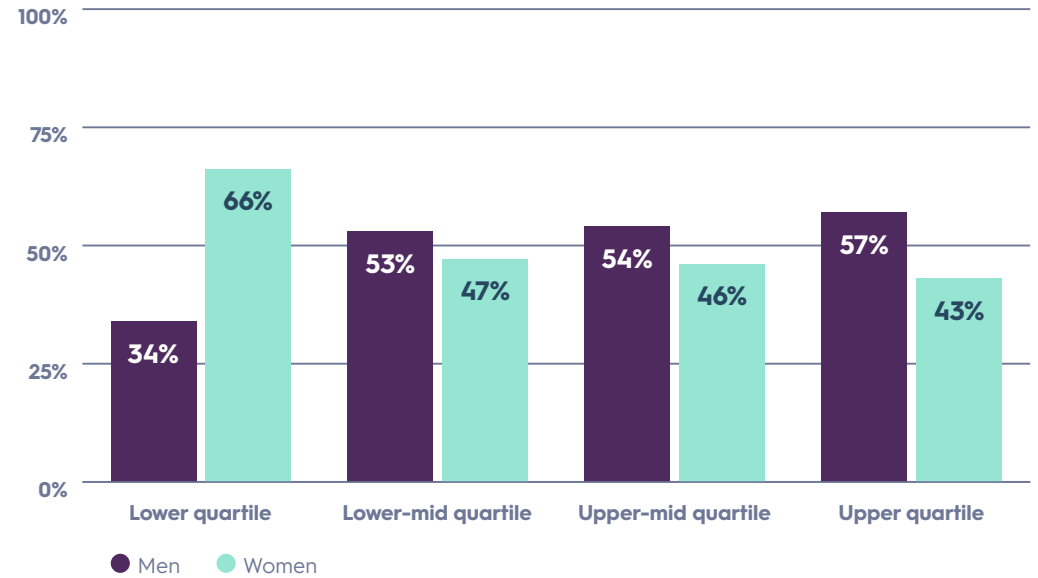
This is due to a higher number of women being eligible for a bonus than men.

The average percentage of women receiving a full bonus in the last 8 years is 72% whereas the average for men is 77%. This gap has closed in the last year by 1 percentage point.



Distribution of men and women per pay quartile

- While we have a higher proportion of women working at Nest in 2023/24, they continue to be over-represented in the lower quartile. To help close the pay gap we need to increase representation of women in the upper quartile. We'll continue to focus on developing and nurturing our talent to assist progression through the quartiles.
- In 2023/24, we had more women than men leave Nest. 34% of leavers were from the upper-mid quartile and upper quartile range. Whilst the majority were replaced like for like in the same quartiles, some were recruited in the lower quartiles, which would have had a negative impact on the pay gap.
- Although there have been more new starters who are women this year compared to men, 75% were hired in the lower quartile range. This would have also impacted the pay gap.



What we'll do next

We're committed to continuing our work to close the pay gap. We will build on our progress and launch new projects and initiatives backed by data as we take an evidence led approach.

Flexibility and empowerment

We will launch our job-sharing policy to support colleagues who want to change their working pattern. We know that women are more likely to be carers than men and/or opt for a part-time role. We believe this policy, along with our continued commitment to promoting flexible working, will enable us to provide greater opportunities for women at Nest and will demystify the negative perceptions of job sharing, ensuing managers are aware of the benefits.

Whilst we have worked to establish gender-balanced succession plans at senior levels, we will focus on development opportunities for women at all levels to ensure we retain, develop and empower our female talent.

Improving the attraction and recruitment experience

Following the positive work on recruitment over the past few years, we will make further enhancements to our employer brand, including an overhaul of our content on LinkedIn to better demonstrate our commitment to DE&I, to ensure we attract candidates from diverse backgrounds.

We'll review our recruitment training to support hiring managers with the aim of helping them to become more consciously inclusive.

Using data to identify opportunities

Working with a benchmarking organisation, we are currently reviewing our reward proposition. This will ensure greater transparency around our pay bandings for all colleagues.

We will create a dashboard to understand the varying experiences of our colleague groups across the employee life cycle and regularly review this data, working to address areas of opportunity and equality.

Our newly refreshed leavers survey will enable us to establish any trends as to why women leave so we can do more to retain female talent.

And we'll continue to gather data and insight on intersectionality. Our work so far shows women from ethnic minority backgrounds are under-represented at senior levels. If we can reduce our ethnicity pay gap, this is likely to have a positive impact on our gender pay gap.

Providing support and guidance

We will train our colleagues to be menopause champions and ensure we have the capabilities to better support colleagues going through the menopause.

Having reviewed our 'keep in touch day' process, we will launch updated guidance to support line managers, so women on maternity leave, or those embarking on it, have all the support they need.

We will launch a return-to-work programme for colleagues who have been on extended leave to help them acclimatise back to their roles.

And our commitment to learning will continue with regular DE&I related training on different topics for all colleagues throughout the year, including line managers on how to be consciously inclusive.

Striving for more in the wider world

As in previous years, we'll take action where it's needed and continue to be a leading voice at the 30% Club Investor Group.

Similarly, we'll use our scale to push for positive change. Our responsible investment team will hold to account the companies we invest in, on gender pay gaps and pay equity ambitions.

Listening and learning from each other

Our staff forum, gender working group and additional DE&I communities will remain at the heart of our commitment to doing the right thing for our people. We'll listen to what these groups tell us and continue to co-create our policies in line with their suggestions.



This year's data, which shows Nest has its smallest gender pay gap since reporting began in 2017 is very encouraging and I'm proud that many of our policies and actions have been created in partnership with our gender working group. We know we cannot rest on our laurels. There is much more to be done and we must continue to build on our long-term plans in order to achieve pay parity.



Richard Lockwood
Chief Financial Officer



© 2024 National Employment Savings Trust Corporation. All rights reserved. Reproduction of all or any part of the content, use of the Nest trademarks and trade names is not allowed without the written permission of Nest. Nest does not warrant nor accept any responsibility for any loss caused as a result of any error, inaccuracy or incompleteness herein. This content is provided for information purposes only and should not be construed as financial, investment or professional advice or recommendation by Nest. Data may be obtained from third party weblinks, but these may not be error free and cannot be verified.