



NEC Gender Pay Gap Report 2023

April 2023

NEC Europe/NEC UK

Gender Pay Gap

The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 require all companies employing 250 or more employees to publish their gender pay gap results.



If an employer has more than 250 people, they are required by UK law to publish their gender pay gap information, both on the Government's Gender Pay Gap Service and on their own website. Whilst NEC does not meet this requirement of 250 employees in the UK, a decision was made by Senior Management that we will continue to publish the statistics regardless.

We believe our commitment to diversity and inclusion is even more important as we change our business strategy and become part of the Global structure. The commitment to this initiative is a Global priority for us all. [NEC's Inclusion & Diversity](#)

We are reportingⁱ on our businesses based in the UK, and specifically NEC UK and NEC Europe. This information is based on the 'snapshot date' and using the people data on 5 April 2022.

How NEC is doing?

When analysing the NEC gender pay gap results, it is important to take into consideration the prevalence of males to females in our Company, which has had a significant influence on our overall gender pay gaps.

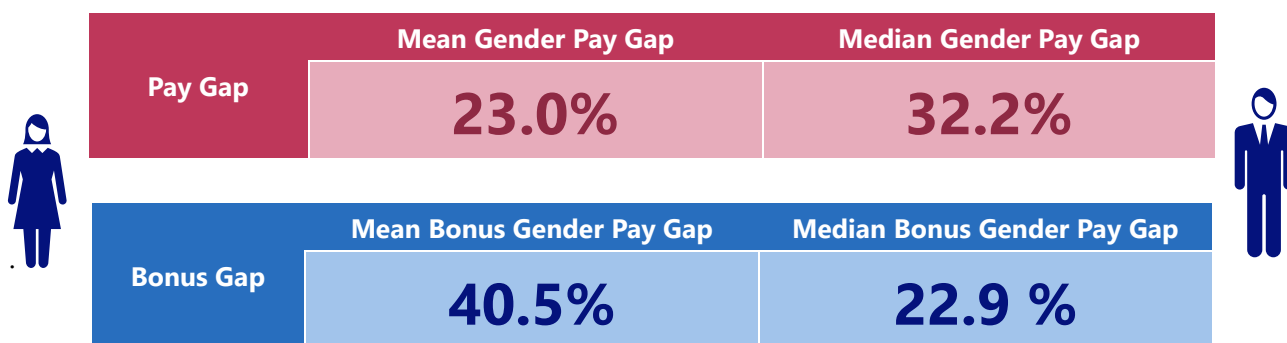
In fact, the representation of female employees in the UK has slightly reduced from last year, and on the 2022 snapshot date (5 April 2022), we employed 101 fewer women than men. This all had an impact on NEC's ability to close the gender pay gap.

At NEC we pay our men and women equally, ensuring that employees in the same job and location are paid fairly, relative to one another, regardless of gender. However, due to the issues highlighted in this report we still have a gender pay gap. This report shows that in April 2022 the Company had an average gender pay gap of 23%. (This is the difference between the average of men's and women's pay).

Our business still has a higher proportion of men occupying senior roles and in total women only make up 27% of our workforce. We are seeing an increasing number of UK based employees occupying senior global roles which are generally higher paid and this impacts our averages and male salary (median or mean) is still higher than our average female salary.

We agree that there is more work to be done but the Company is committed to this initiative, and we will invest in closing the gap where possible.

The data below shows the Median and Mean Gender Pay Gap for both the payⁱⁱ and the bonusⁱⁱⁱ.



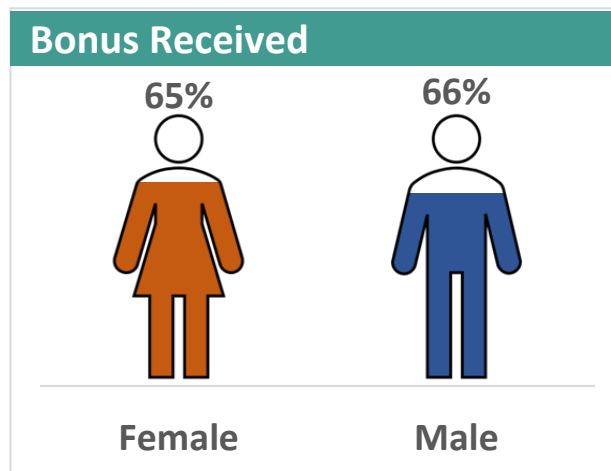
Understanding the Gender Pay Gap

As we have previously stated, as we are a smaller Company the impact of a few changes is greater on the data than in a larger organisation. Small changes in our employee profile have a significant impact on the data.

The mean bonus gender pay gap remains at a high percentage as we continue to have more men in senior roles. We recognise that we need to find alternative recruitment strategies to attract women to our core businesses.

We have a significantly larger proportion of women in our support functions, rather than specialist roles within the business, which are generally higher paid. As we move forward, our ultimate aim remains to achieve gender equality across our business in all quartiles.

Most employees are eligible for a bonus, some new hires may not have reached a payment date within the reporting period. Employees who work part-time receive their bonuses on a 'pro rata' basis, but the calculation for the gender bonus gap does not allow any adjustment to bring these bonuses back to their 'full-time equivalent' level. While we encourage both men and women to work flexibly, the majority of those currently working part-time are women.



This data is only using UK employee data and does not consider senior women in other countries and globally. NEC's gender pay gap is primarily a consequence of more men than women holding senior or specialist roles within the business and consequently higher-paid roles.

What are we doing?

Improving Inclusion & Diversity at NEC is a big part of our efforts towards Mid-Term Plan 2025 and being a Global organization, it is important that the changes are implemented globally and not just in the UK.

As the world undergoes fundamental transformation, women's role in science, technology, engineering, and mathematics (STEM), needs to be reassessed. Gender imbalance is an external and internal issue, and there is an under-representation of women working in technology industries. We therefore will look to work with organisations/charities that encourage more women into STEM roles and using our Graduate recruitment and Apprentice schemes.

In Europe, we have set out our direction regarding the Inclusion & Diversity (I&D) initiative in line with the target set by NEC group. We looked at the current diversity status in Europe and set our target in terms of the ratio of female employees and female senior management members as well as the training initiative regarding I&D. This is only a beginning of our journey, but it is vital to promote and respect I&D to grow as a strong and resilient team and organisation.

Closing the gender pay gap is not a quick and easy fix and it is important the NEC continues to take actions on driving this much needed change. This remains to be a challenge within the industry but at NEC we want to be part of orchestrating that change. We know we're closer to the beginning of our journey rather than the end as we intentionally expand our inclusion and diversity priorities.

I, Christopher Jackson, President & CEO Europe, confirm that the information in this statement is accurate.



Chris Jackson
President & CEO
NEC Europe

i The figures set out above have been calculated using the standard methodologies used in the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

ii Ordinary pay is basic hourly pay on the snapshot date (5 April), bonus (monthly and quarterly) and premiums (shift premiums, on call allowances, etc.) and converted into an hourly rate. Note: Overtime and pension contributions are excluded and annual bonus paid in March is therefore not included in ordinary pay

iii 'Bonuses' are defined as any rewards related to: profit-sharing; productivity; performance; incentive; commission. The rewards can be made in: cash; vouchers; securities; securities options; interests in securities