



Promoting equality at Newcastle Building Society

Gender Pay Gap Report 2022

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Newcastle Building Society Group

Gender Pay Gap Report 2022

Our approach in 2022

Women play a significant role in the success of our business and gender equity, representation and pay, together with the barriers that impact these areas remain a key priority.

Our broader approach to Diversity, Equity and Inclusion is also an important aspect of our culture and during 2022 we took a number of actions to begin to accelerate positive impact across our organisation.

- ✓ We appointed a DE&I leadership role to support the development of our business strategy.
- ✓ We completed a diagnostic exercise, examining data at every touch point of the employee lifecycle to identify our key priorities and areas of focus.
- ✓ We partnered with Business in the Community (BITC) to hold a series of listening circles to understand the lived experience of our colleagues, customers and community partners.

- ✓ We developed a DE&I Roadmap outlining the actions we will take to improve diversity and create a culture that is inclusive of everyone.
- ✓ We embedded a hybrid flexible approach to work.
- ✓ We have grown our Women in Leadership network and are using their voice and insight to improve our policies and ways of working.
- ✓ We embedded a hybrid flexible approach to work.
- ✓ Workshops on purpose-led inclusive leadership were delivered to our Executive Team.
- ✓ We launched our reverse mentoring programme, supporting executives and business leaders to understand the lived experience of colleagues and where we have opportunities to improve.

Our plans for 2023

Agreed priorities within our DE&I roadmap will be delivered over the next 12 months, they include:

- ✓ Using data and insight from the recent DE&I diagnostic exercise, to develop our DE&I Strategy.
- ✓ Embedding inclusivity into our systems, processes and ways of working to become 'inclusive by design'.
- ✓ Undertaking an Inclusive Recruitment Audit to identify opportunities to make our hiring practices more inclusive'.
- ✓ Working with our employee networks to deliver a calendar of DE&I events to celebrate difference and raise awareness of key topics.
- ✓ Aligning our Early Careers Strategy with our DE&I objectives, providing career opportunities to under-represented and disadvantaged groups.
- ✓ Development of an inclusion training programme to embed inclusive behaviours across all grades and roles.
- ✓ Appointment of external partners to help us to embed DE&I best practice.

Newcastle Building Society Group

Gender Pay Gap Report 2022

Newcastle Building Society Group mean gender pay gap is 24.52%; our Group median gender pay gap is 23.9%.

What is driving our Group gender pay gap?

Men and women are paid equally for doing the same or similar jobs. The Group gender pay gap is largely driven by the over representation of women in less senior and part time roles, and under representation at more senior levels.

On 5th April 2022, women represented nearly two thirds (59.8%) of our Group workforce. Women continue to be over represented in entry level roles, and whilst we have seen a positive increase in senior female representation, there remains an underrepresentation in the most senior roles where market rates of pay are highest.

Salary and Bonus Information

The below table shows our Group mean and median gender gap, based on a snapshot date of 5 April 2022.

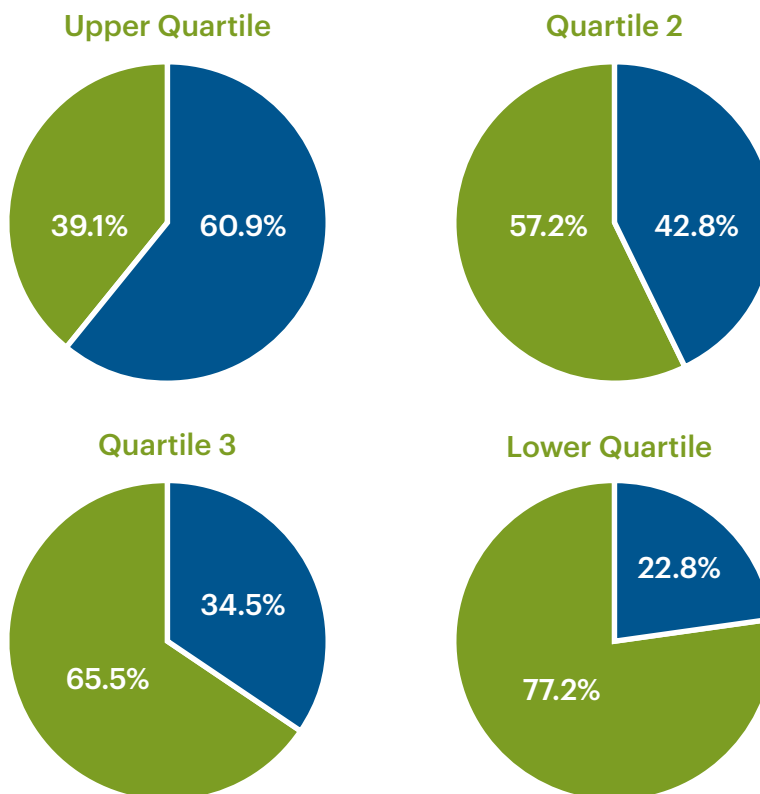
| | MEAN | MEDIAN |
|--------------------|--------|--------|
| Hourly Rate of Pay | 24.52% | 23.91% |
| Bonus Amount | 41.48% | 18.85% |

Within the Group 93% of women and 94% of men were eligible for a bonus during the snapshot period.

Salary Quartiles

The below charts show the percentage of male and female colleagues in each quartile of the organisation.

■ Male
■ Female



Newcastle Building Society Gender Pay Gap Report 2022

Salary and Bonus Information

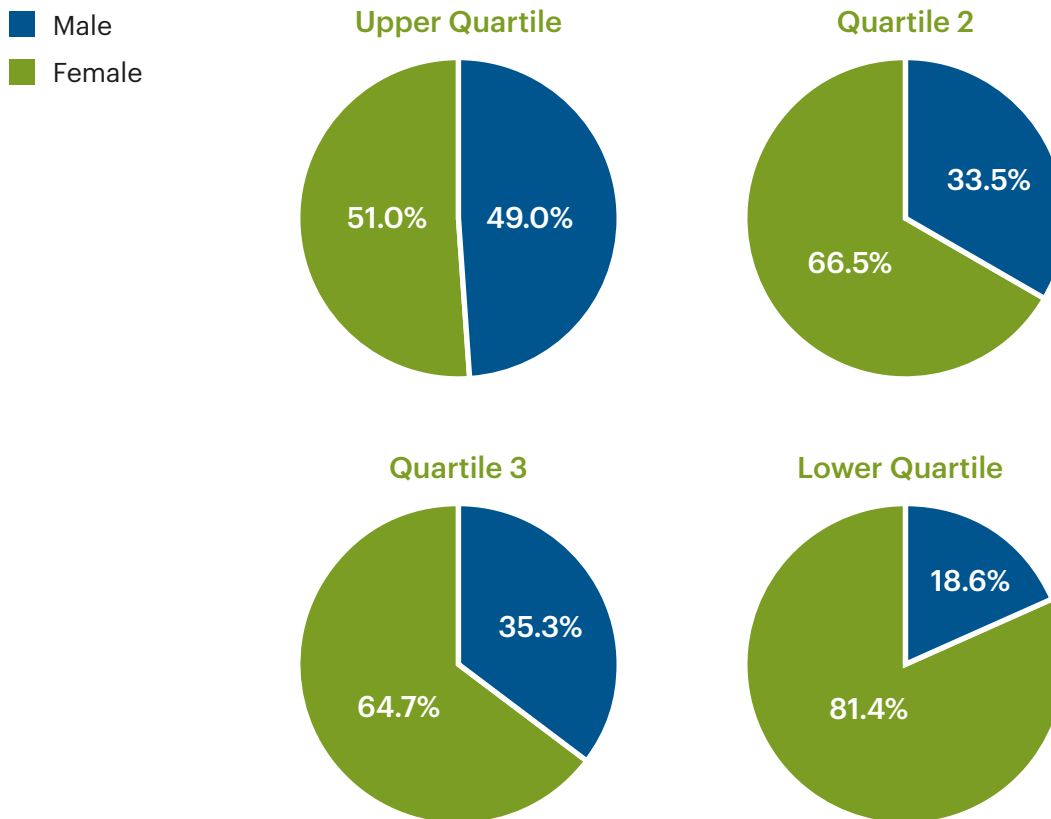
The below table shows our mean and median gender gap, based on a snapshot date of 5 April 2022.

| | MEAN | MEDIAN |
|--------------------|--------|--------|
| Hourly Rate of Pay | 28.43% | 16.9% |
| Bonus Amount | 41.98% | 9.81% |

Within Newcastle Building Society 95% of men and 95% of women were eligible for a bonus.

Salary Quartiles

The below charts show the percentage of male and female colleagues in each quartile of the organisation.



Commentary

Newcastle Building Society's mean gender pay gap is 28.43%; our median gender pay gap is 16.9%

What's driving the Newcastle Building Society pay gap?

Men and women are paid equally for doing the same or similar jobs. Our Society gender pay gap is driven by the over representation of women in lower paid and part time roles, and their under representation at more senior levels. See Group commentary above.

Newcastle Building Society's mean bonus gap is 41.98%; our median bonus gap is 9.81%

What's driving our Newcastle Building Society bonus gap?

During the snapshot period we paid both a performance bonus as a percentage of salary, in addition to a flat recognition payment to all colleagues across the Group. The under-representation of females in more senior roles has driven a gender bonus gap.

Newcastle Strategic Solutions Limited

Gender Pay Gap Report 2022

Salary and Bonus Information

The below table shows our mean and median gender gap, based on a snapshot date of 5 April 2022.

| | MEAN | MEDIAN |
|--------------------|--------|--------|
| Hourly Rate of Pay | 22.42% | 27.07% |
| Bonus Amount | 16.17% | 21.05% |

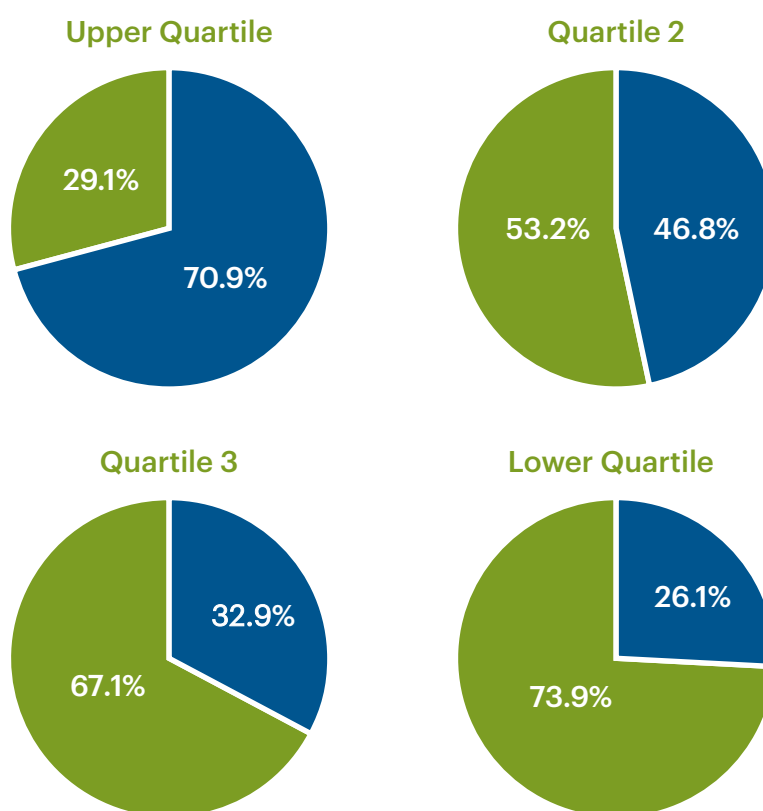
Within Newcastle Strategic Solutions Ltd, 93% of men and 90% of women were eligible for a bonus.

Salary Quartiles

The below charts show the percentage of male and female colleagues in each quartile of the organisation.

- Male
- Female

Note: Newcastle Strategic Solutions is our technology and service subsidiary.



Commentary

Newcastle Strategic Solutions' mean gender pay gap is 22.42%; our median gender pay gap is 27.07%.

What's driving our Newcastle Strategic Solutions' pay gap?

Men and women are paid equally for doing the same or similar jobs. The IT sector continues to attract higher average salaries and to attract more men into these roles. In addition, our Solutions' call centre attracts a high proportion of women, offering flexible and part time roles. The call centre roles are at a lower salary. These factors contribute to Solutions' gender pay gap.

Newcastle Strategic Solutions' mean bonus gap is 16.17%; our median bonus gap is 21.05%

What's driving our Newcastle Strategic Solutions bonus gap?

During the snapshot period we paid a performance bonus as a percentage of salary, in addition to a flat recognition payment to all colleagues across Newcastle Strategic Solutions. The under-representation of females in more senior roles has driven a gender bonus gap.

