

# Gender & Ethnicity Pay Report 2025

## What is the Gender Pay Gap?

The gender pay gap is the difference in average hourly pay between men and women across an organisation. Unlike equal pay, which looks at whether men and women are paid the same for the same role, the gender pay gap reflects the overall distribution of men and women at different levels and helps organisations understand where action may need to be taken to improve representation and progression opportunities.

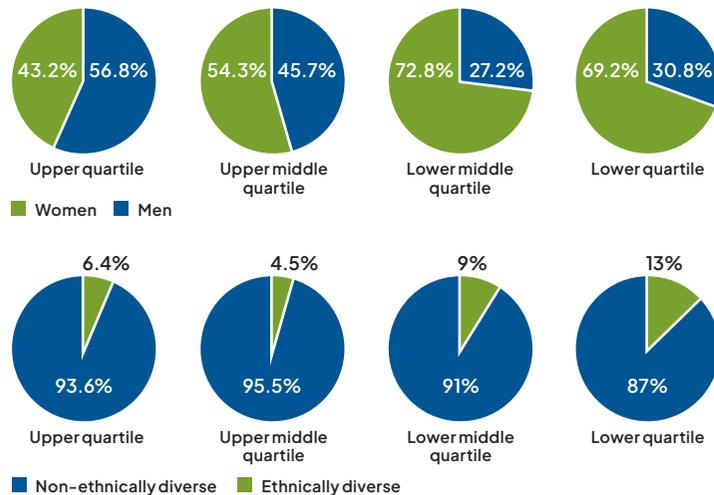
Under Government Equalities Office requirements, organisations must report their mean and median gender pay gaps, bonus gaps, and the distribution of men and women across defined pay quartiles.

## What is the Ethnicity Pay Gap?

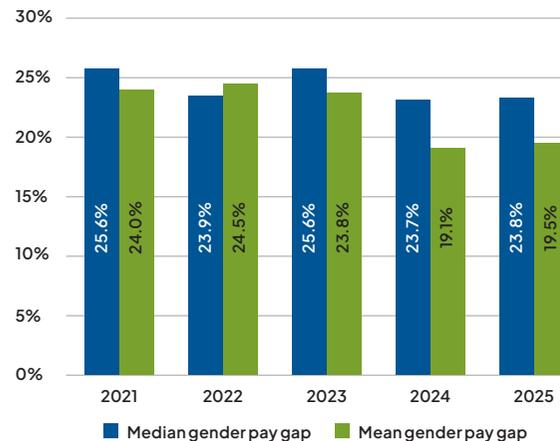
The ethnicity pay gap is the difference in average pay between ethnically diverse and non ethnically diverse colleagues across an organisation. It highlights how different ethnic groups are represented at various levels and roles.

Ethnicity pay gap reporting uses the same methodology as gender pay gap reporting. For UK reporting, "ethnically diverse colleagues" includes all ethnic groups other than the white group as defined by the ONS. As part of our Place to Be You strategy, we choose to voluntarily publish our ethnicity pay gap alongside our gender pay gap, reflecting our commitment to transparency and targeted, evidence-based action.

Statistic	Gender pay gap	YoY change	Ethnicity pay gap	YoY change
Mean pay gap	19.5%	↑ 0.4%	10.6%	↓ 3.0%
Median pay gap	23.8%	↑ 0.1%	14.6%	↓ 1.7%
Mean bonus gap	42.8%	↑ 1.4%	33.6%	↓ 6.1%
Median bonus gap	28.4%	↑ 5.6%	24.3%	↓ 1.7%
% Men or non-ethnically diverse colleagues receiving bonus	92%	↓ 3.0%	93%	↓ 2.0%
% Women or ethnically diverse colleagues receiving bonus	93%	↓ 1.0%	88%	0.0%



Gender pay gap - 5 year trend



## Our actions

Within the context of our wider Place to Be You strategy we have identified a number of ongoing actions to help address both our gender and ethnicity pay gaps. These include:



### Women in Finance Charter

We will drive progress toward our Women in Finance Charter targets to increase the representation of women in senior roles and strengthen gender balance in decision-making.



### Inclusive recruitment

We will enhance inclusive recruitment by working with partners who deliver diverse shortlists, broadening our talent pool and removing barriers for underrepresented groups.



### Clear Assured accreditation

We will progress toward Silver Clear Assured accreditation, using its framework to accelerate improvements in equity, inclusion and the overall colleague experience.



### Race action plan delivery

We will use insights from the 2025. Investing in Ethnicity Maturity Index to prioritise actions that deliver the greatest impact for ethnically diverse colleagues.



### Network collaboration

We will work with our Women in Leadership and Race Networks to embed colleague voice into policy and practice, strengthening equity across our workplace.



### Education & awareness

We will deliver a year-round programme of education and awareness that builds understanding, celebrates difference and supports the cultural change needed for inclusion to thrive.

### Median pay gap

The percentage difference between the pay midpoint (median) of men and women or between ethnically diverse colleagues and non-ethnically diverse colleagues.

### Mean pay gap

The percentage difference between the average (mean) pay of men and women or between ethnically diverse colleagues and non-ethnically diverse colleagues.

Our ethnicity pay gap analysis is based on the 98% of colleagues who have shared their data. We report pay gaps between ethnically diverse and non-ethnically diverse colleagues, using ONS ethnicity categories. This approach enables clear, meaningful reporting while protecting colleague confidentiality, particularly where small group sizes could risk identification.

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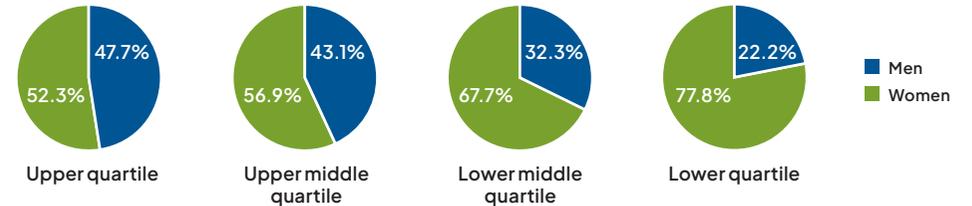
## Newcastle Building Society & Newcastle Strategic Solutions Limited – Gender Pay Gap 2025

As more than 250 colleagues are employed within our subsidiary businesses, Newcastle Building Society and Newcastle Strategic Solutions we can also report our gender pay gap figures in more detail.

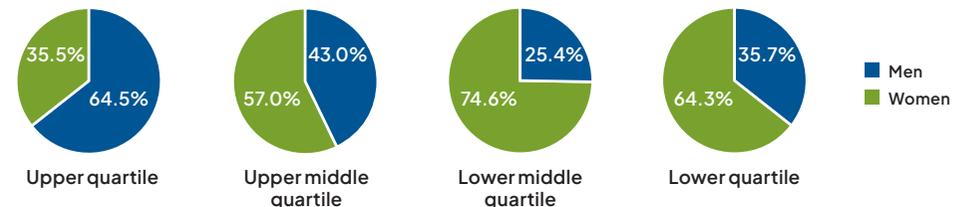
Statistic	Newcastle Building Society	Newcastle Strategic Solutions
Mean pay gap	24.2%	15.9%
Median pay gap	17.9%	17.6%
Mean bonus gap	45.4%	25.7%
Median bonus gap	26.7%	27.2%
% Men receiving bonus	94%	89%
% Women receiving bonus	95%	91%

We recognise that gender pay gaps exist in both these subsidiaries and, at a Group level, we are committed to actions that will help reduce them across our business.

### Newcastle Building Society



### Newcastle Strategic Solutions



## Understanding gender and ethnicity pay reporting

### 2025 results

In 2025, our Group gender pay gaps have increased slightly compared to 2024, with the mean gap rising by 0.4% and the median by 0.1%. Gender bonus gaps have also increased. In contrast, ethnicity pay gaps and ethnicity bonus gaps have both reduced year-on-year, which is encouraging progress.

### Why these gaps exist

One of the main reasons for these gaps is the distribution of roles across the organisation. We continue to have proportionally more men and non-ethnically diverse colleagues in senior positions, while women and ethnically diverse colleagues are more represented in junior roles.

### What influenced these results

Several factors have influenced this year's outcomes:

- We've made good progress in hiring more women into more senior roles. 56% of hires into our Executive, Functional Strategist and Business Leader roles during the reporting period were women.
- A higher proportion of women were recruited into lower-graded frontline roles (63%), which has adversely impacted the overall gender pay gap.
- We have seen an increase in representation of ethnically diverse colleagues across all pay quartiles which has had a positive impact on our ethnicity pay gap.
- Our 2025 pay review prioritised higher annual pay increases at junior grades, which helped limit the gender pay gap increase and contributed to reducing the ethnicity pay gap.

### Looking ahead

We remain committed to addressing these gaps and driving sustainable change through our Place to Be You strategy. As a mutual building society, this work goes beyond our workplace. Closing our pay gaps is not just about figures; it is about creating fair and equitable access to opportunity, strengthening inclusion across our organisation and ensuring we reflect and serve the diverse communities we exist to support—so that everyone can thrive.

Newcastle Building Society confirms that the published gender pay gap information is accurate and signed by Andrew Haigh, Chief Executive.