

## Nicholls & Clarke Limited

### Gender Pay Gap Reporting

#### Our commitment to equality

At Nicholls & Clarke Limited we take pride in having a workplace which aims to ensure our people are respected and valued, whoever they are, and rewarded fairly based on their skills, ability and the requirements of their role.

We operate in the construction sector which employs many more men than women. As a consequence some of the benefits of a diverse work force have not been fully realised. We are determined as a company to continue to encourage women to develop their careers here at Nicholls & Clarke Limited and to move into more senior roles. We are working hard to improve the gender balance. However, the balance can be impacted when one of our senior staff leaves. Notwithstanding this we are committed to improve the gender balance across the Nicholls & Clarke Group of Companies and have recently appointed two women into senior sales positions.

#### Identifying a gap

National statistics show that generally men are paid more than women. Companies with more than 250 employees have been asked by the Government to publish the pay difference experienced by men and women (it's referred to as the 'pay gap'). How that pay gap is calculated is set out by the Government who wanted every private business to measure pay on 5 April each year. This started in 2017 and this is the fourth year of reporting (due to the suspension of the 2019/20 reporting year as a result of COVID-19). The statistics below reflect our pay gap at 5 April 2020 and 2021.

#### The Gender Pay Gap

Our average pay gap for 2021 is 14.08%. This increased from 4.75% in 2020 and reflects the impact of staff who were on furlough on the snapshot date and during the relevant pay period being excluded from these calculations (in line with the guidance). There was a significant reduction in the number of employees on furlough in April 2021 compared with April 2020. We anticipate that the gap in 2022 will increase slightly again as a result of no staff being on furlough which will lead to an increase of full-pay relevant employees. However, the increase is not expected to be as significant as it has been from 2020 to 2021.

#### Mean and median pay and bonus gap

YEAR	MEAN		MEDIAN	
	2020	2021	2020	2021
Gender Pay Gap	4.75%	14.08%	2.67%	10.02%
Gender Bonus Gap	40.92%	78.44%	37.72%	49.79%

The gender bonus gap has increased significantly since the prior year predominantly as a result of sales performance at sites where females are in a position to earn commissions but also due to some higher earners being on maternity leave. This gap is expected to reduce in 2022 due to improved performance and also an increase in females employed in a commission earning role.

The proportion of men and women receiving a bonus in the twelve months before 5 April 2021:

Proportion of employees receiving a bonus			
MALE		FEMALE	
2020	2021	2020	2021
30.37%	22.35%	25.84%	22.08%

As mentioned, the bonus payments we make include commission for sales and is intended to reward past performance and incentivise our people for the future. No bonus payment will be made to an employee who is serving notice at the time of payment. The proportion of male and females to receive a bonus this year is fairly level but the amounts received will always differ depending on performance achieved.

Proportion of employees in each quartile pay band				
PAY QUARTILE	MALE		FEMALE	
	2020	2021	2020	2021
Upper	76.67%	86.25%	23.33%	13.75%
Upper Middle	77.42%	85.00%	22.58%	15.00%
Lower Middle	80.00%	82.50%	20.00%	17.50%
Lower	70.97%	74.07%	29.03%	25.93%

Please be aware that the 2020 figures have been distorted by a significant number of employees being on furlough at the snapshot date. In 2021, there were still some staff on furlough on the snapshot date but this has fallen considerably.

Although there are less female employees in the upper quartile overall, the above figures show a drop in the proportion of female employees in every quarter compared with last year but, as mentioned, the 2020 figures were distorted due to furlough. It's important to recognise that these results don't mean we pay employees differently for doing the same job but they do show that we employ significantly more men than women and that we have a lower proportion of women in leadership and senior roles in our organisation. It is our continued aim to develop all our staff and as a consequence we expect to be able to employ more female senior managers in the future.

We do have several women in middle management roles and they make a significant contribution to the success of our company. Whilst our requirement is to recruit the best available talent for the group, we will aim to bring women into more senior roles in the future, where possible.

We aim to achieve this by continuing to encourage more flexible working practices and supporting families with small children. This has been improved further since the increase in remote and flexible working during the pandemic. We are training to ensure that we have a sufficient pipeline of female staff ready to move into our senior management team and we are looking at a range of initiatives to help us meet and address diversity imbalances as part of our inclusion strategy.

Whilst the pandemic did delay our strategy overall, as mentioned previously, we have still managed to recruit and promote a number of women into senior managerial and directorship roles during the past couple of years.

In accordance with the requirements of the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017, I confirm that the information contained within this statement is accurate.

Mrs M L Smith  
 Finance Director  
 28 March 2022