

Gender pay gap report 2024

Reporting year - April 2023 to March 2024



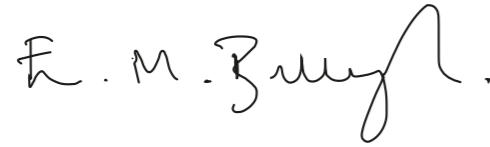
Introduction

As a company we remain committed to fostering an inclusive and diverse workplace for all our people. The gender pay gap report provides an important opportunity to assess our progress toward these goals and identify areas where we can improve. While there have been some welcome improvements this year, our gender pay gap remains broadly unchanged in relation to previous years. While this consistency reflects stability, we continue to focus on what we can do to make meaningful progress to reduce the gap.

These are the headlines for this reporting period:

- our mean gender pay gap is 5.7%
- our median gender pay gap is 4.0%
- our mean gender bonus pay gap is 11.5%
- our median gender bonus pay gap is 5.1%
- the proportion of male employees receiving a bonus is 88.2% while the proportion for female employees receiving bonuses is slightly higher at 88.6%

There are definitions of all these terms in this report. As you read this report it is worth remembering that National Highways still compares favourably to the public sector median benchmark of 13.5%* and the private sector median benchmark of 18.3%. Our median gender pay gap is also lower than the all sector national average of 15.2%.



Elaine Billington
Chief People Officer
National Highways

*Source: Annual Survey of Hours and Earnings, Office for National Statistics



What we are doing to address the pay gap

Over the past year we have been making progress on a number of initiatives to reduce our gender pay gap.

In addition to the flexible working policy we already have in place, we also introduced a hybrid working policy in 2024. For colleagues who can work in a hybrid way the policy allows them to balance remote and office-based working. This means we can provide greater flexibility, which can be especially beneficial for women and carers. This not only supports retention but also broadens our attraction pool, building a more inclusive workplace culture which attracts diverse employee groups. Furthermore, in November 2023 we were proud to win the Employers Network for Equality & Inclusion (ENEI) award for progressive, agile and flexible working practices in recognition of our flexible working provision.

We are fostering the growth of employee networks to create a sense of belonging and empowerment in the workplace. Each network is sponsored by an Executive team member or one of our senior leaders, helping to build leaders' knowledge and awareness as well as providing a safe space for colleagues to share their experiences.

In a connected move, this year the Fertility Support Network was formed to provide informal and practical information for anyone navigating fertility challenges. Through the network we have joined forces with Fertility Matters at Work to help our organisation become a more fertility-friendly employer and are working towards gaining the fertility friendly accreditation.

We have also developed a Diversity and Inclusion Dashboard to help support evidence-based decision making. Updated annually, the dashboard is visible to both our Executive Committee and Board and includes current and accurate gender-balance data.

Our employee networks played a crucial role in reviewing the dashboard before it was launched. Their insight helped ensure that we are using our data in the most meaningful way.



We are also monitoring and tracking our company culture and employee experience through a number of cultural indicators collated into a Culture Dashboard. This includes insights into gender representation across the workplace through a variety of lenses including leadership, retention, wellbeing and engagement. This – and data from the Diversity and Inclusion dashboard – are discussed at regular sessions of our new Employee Voice Group, where employee representatives from around the organisation join our chief people officer and a non-executive director who attends on behalf of our Board.

Our recruitment team have completed training on inclusive job advert writing, which includes using a gender decoder to help write more inclusive and diverse job adverts which attract applicants of any gender. We've also extended where we advertise roles to include job boards such as 'Find our flex' to ensure we are increasing awareness of the roles available.

As part of our pay award, we introduced pay progression principles enabling colleagues with three years or more service to progress through a pay range. Over time this principle will have a positive impact and minimise the pay gap by moving individuals through a pay range, reducing the impact of negotiating pay on offer.

Over 50% of the recruits we welcomed through our returners programme in 2023 were women.

This six-month long programme targets people returning to work after a long break and therefore often encourages women back into the workplace. This year, all of the cohort secured permanent positions within the company, staying with us longer term.

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Is what we're doing working?

There are signs of positive change which may have an impact on next year's reporting. As noted elsewhere, 36% of our current establishment is female. However, between 1 April 2023 and 31 March 2024, a little under 40% of new recruits to our company were female.

There is other evidence that the continued development of our employment offer is making National Highways increasingly attractive to female candidates. Our 2023 Talent Review process disclosed that 42% of the people in our talent pool were female, compared to 36% across the company as a whole. In 2023-24, 44% of all promotions at National Highways were awarded to women, this suggests that in our company gender is not a barrier to progression – and that over time, this will help to reduce our gender pay gap.

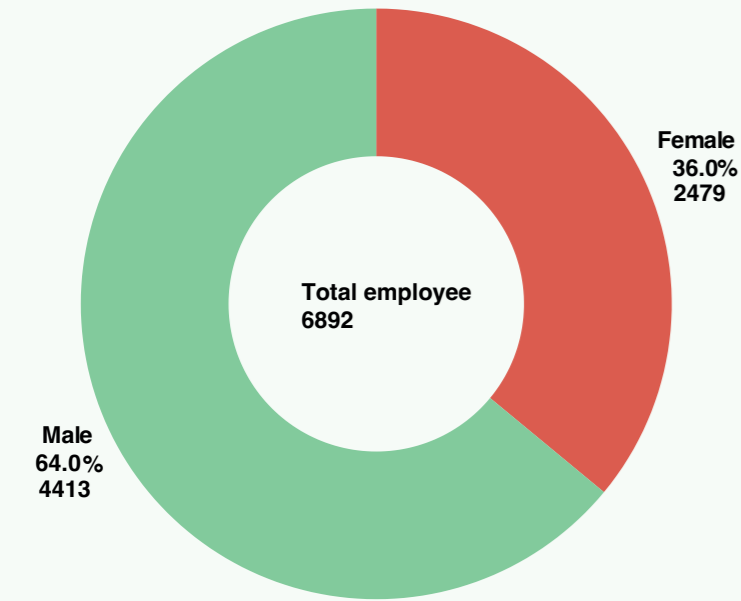
It is also worth noting that fewer female colleagues than male left National Highways in 2023-24. Between 1 April 2023 and 31 March 2024, 31% of leavers were female compared to 69% male. Again, this compares favourably with the overall proportion of female colleagues in the organisation.

Finally, in the 2024 Employee Engagement Survey female respondents scored more highly than males across all the thematic questions. Two of the themes with the biggest differences were Reward and Recognition – where female colleagues scored 10 percentage points higher than their male counterparts – and Growth, where female respondents scored 5 percentage points higher. Demonstrating female colleagues feel recognised for the work they do and are supported to develop their skills and careers with us.

Our gender pay gap statistics

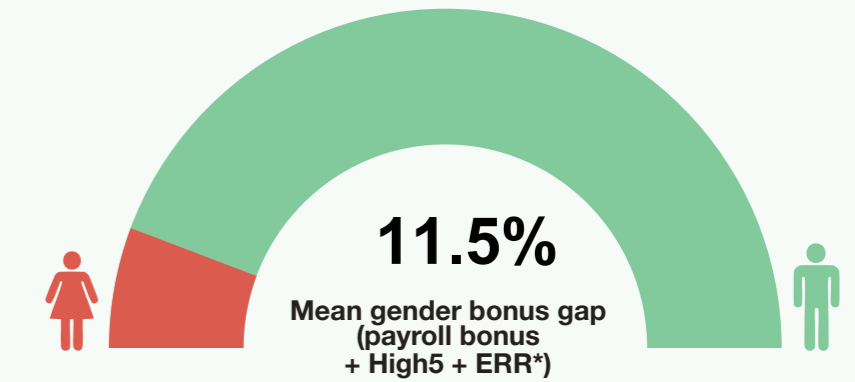
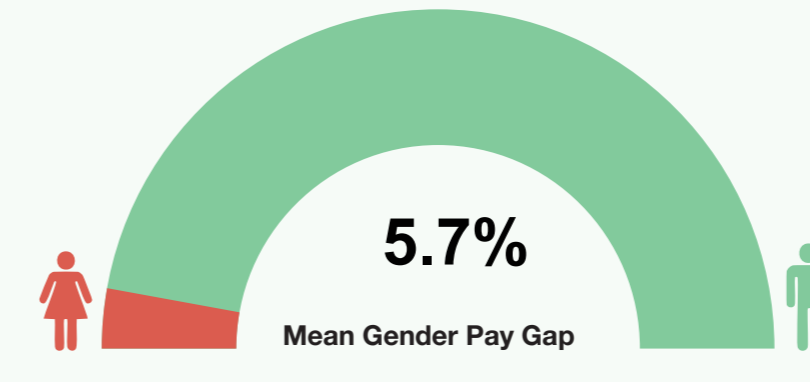
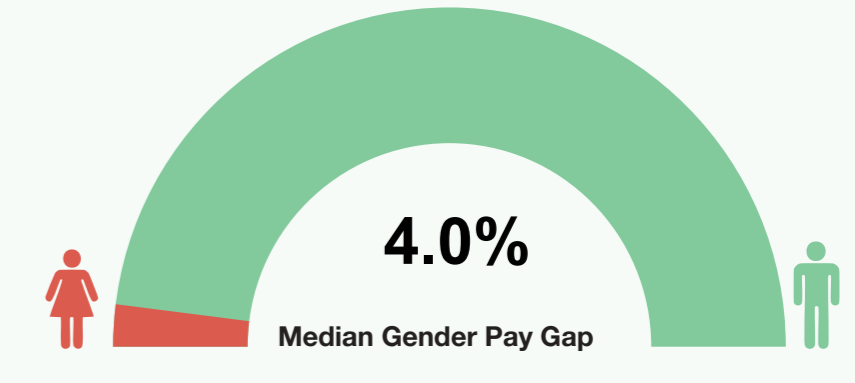
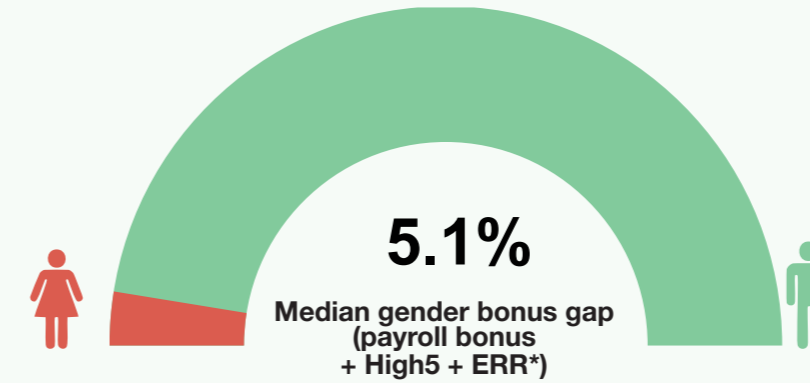
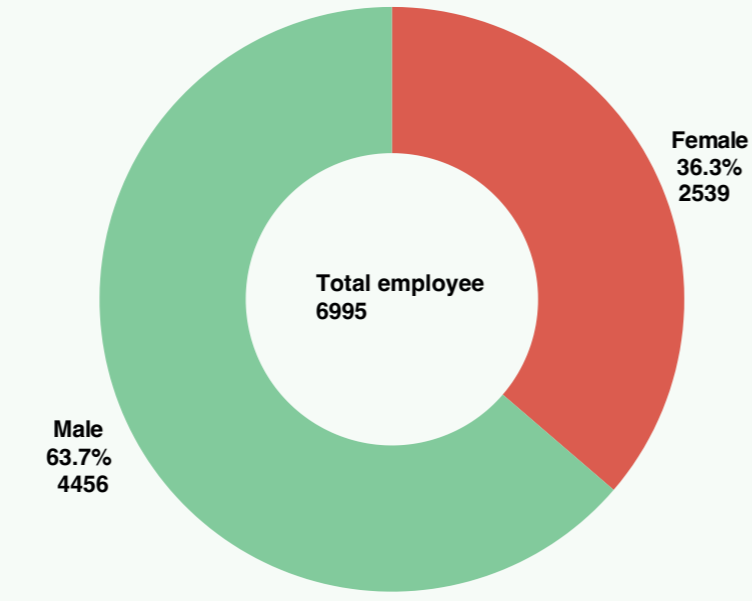
Number of full pay relevant employees by gender

Full pay relevant are all employees who are paid their full rate of pay within the reporting period.



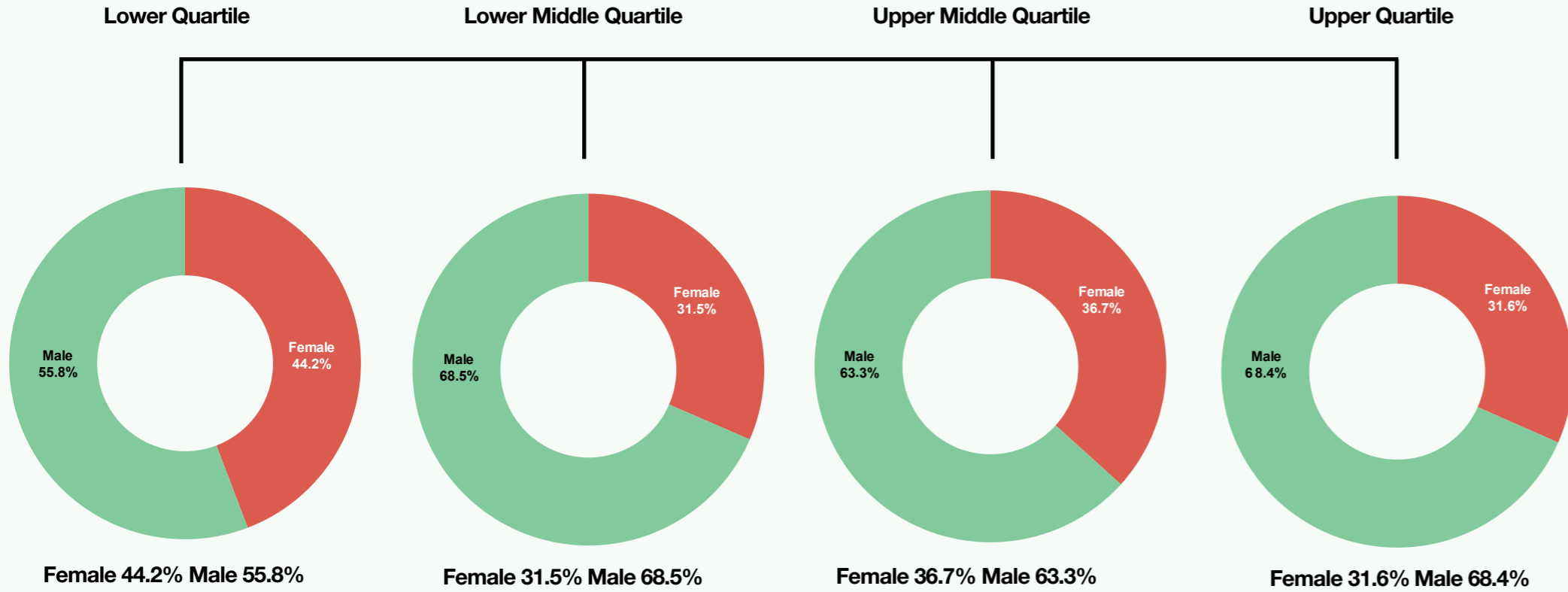
Number of relevant employees by gender

Relevant employees are all employees with a contract of employment within the reporting period.

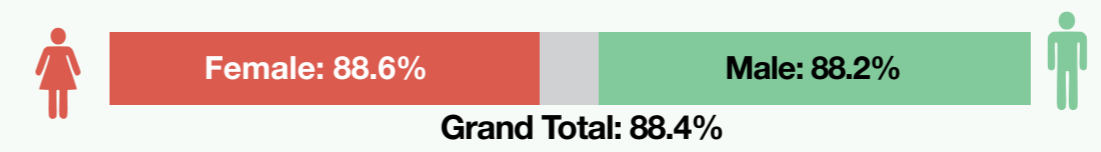


*ERR = Employee Referral Rewards with High5 = Employee recognition platform

Pay Quartiles



	Number of employees who received bonus	Number of all relevant employees as at 31/03/2024
Female	2249	2539
Male	3932	4456
Total employees	6181	6995





An explanation of the terms used in this report

Mean pay gap

The mean pay gap is the difference between National Highways total salary spend per female employee and total salary spend per male employee. The number is then calculated by taking the total wage bill for each and dividing it by the number of women and men employed by National Highways.

Median pay gap

The median pay gap is the difference in salary between the middle ranking female employee and the middle ranking male employee. By placing all the women and men working at National Highways into two lines in order of salary, the median pay gap will be the difference in salary between the woman in the middle the line and the man in the middle of the respective one.

Pay gap vs equal pay

The gender pay gap and equal pay are often referred to and confused as the same issue. Equal pay is the legal requirement that women and men and women are paid equally for doing the same job under the Equality Act 2010. The grade structure within National Highways ensures we pay our female employees equally to our male employees.

Gender terminology

The gender pay gap reporting guidelines outline the requirement to differentiate pay between men and women. This means we are unable to include statistical data on other genders within National Highways. While we have used the gender terms 'female' and 'male' in a binary way within this report, we recognise that some individuals do not identify as a man or woman and in our diversity monitoring information we include an option for individuals to self-describe their gender identity.

In this report and the narrative around it we have used 'women' and 'female' interchangeably. As part of our approach to creating a respectful, inclusive and diverse culture we continue to promote our Gender Identity Policy and encourage our colleagues to share their pronouns in email signatures in support of our trans, intersex and non-binary colleagues

Our focus for the future

We are arranging a series of talent pool focus groups to gather feedback from individuals who identify as women and ethnic minorities. By gathering insights and learning about colleagues' lived experiences, we aim to enhance our understanding and inform our future talent development initiatives.

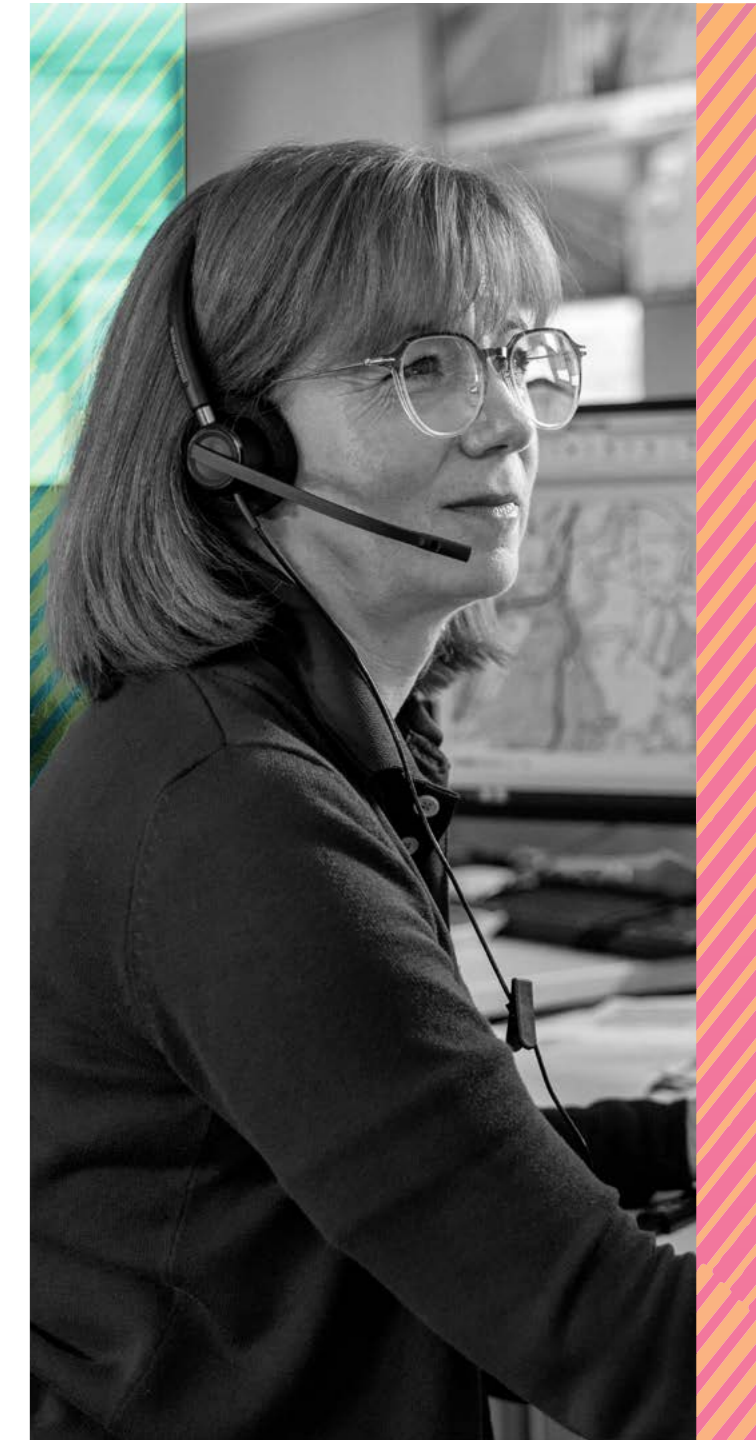
We are planning a dedicated declaration campaign to encourage colleagues to share their diversity data. By having accurate diversity data, we can make evidence-based decisions to help us attract, develop and retain diverse talent and be more effective in the way we work.

We recognise the value of providing colleagues with financial wellbeing. We will create a financial education programme aimed at specific employee network groups, including the Connected Women Network. This programme will focus on how to address the gender pension gap and aim to empower employees, particularly women, by providing them with the knowledge and resources needed to make informed financial decisions to improve their financial situation.

We continue to see the positive impact our employee networks have across our organisation and are currently exploring opportunities to better support colleagues who are parents through a dedicated network.

We are improving the awareness of the support we have in place for women returning to work after maternity or adoption leave, including highlighting flexible working, parental leave policies, childcare assistance, manager guidance and relevant employee networks to ease the transition.

We are keen to encourage females into our early talent programmes and to challenge the stereotype of those who work in STEM careers. Through our partnership with the Careers and Enterprise Company we are developing information for schools across England, featuring female colleagues in STEM roles and the career opportunities available within National Highways.



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