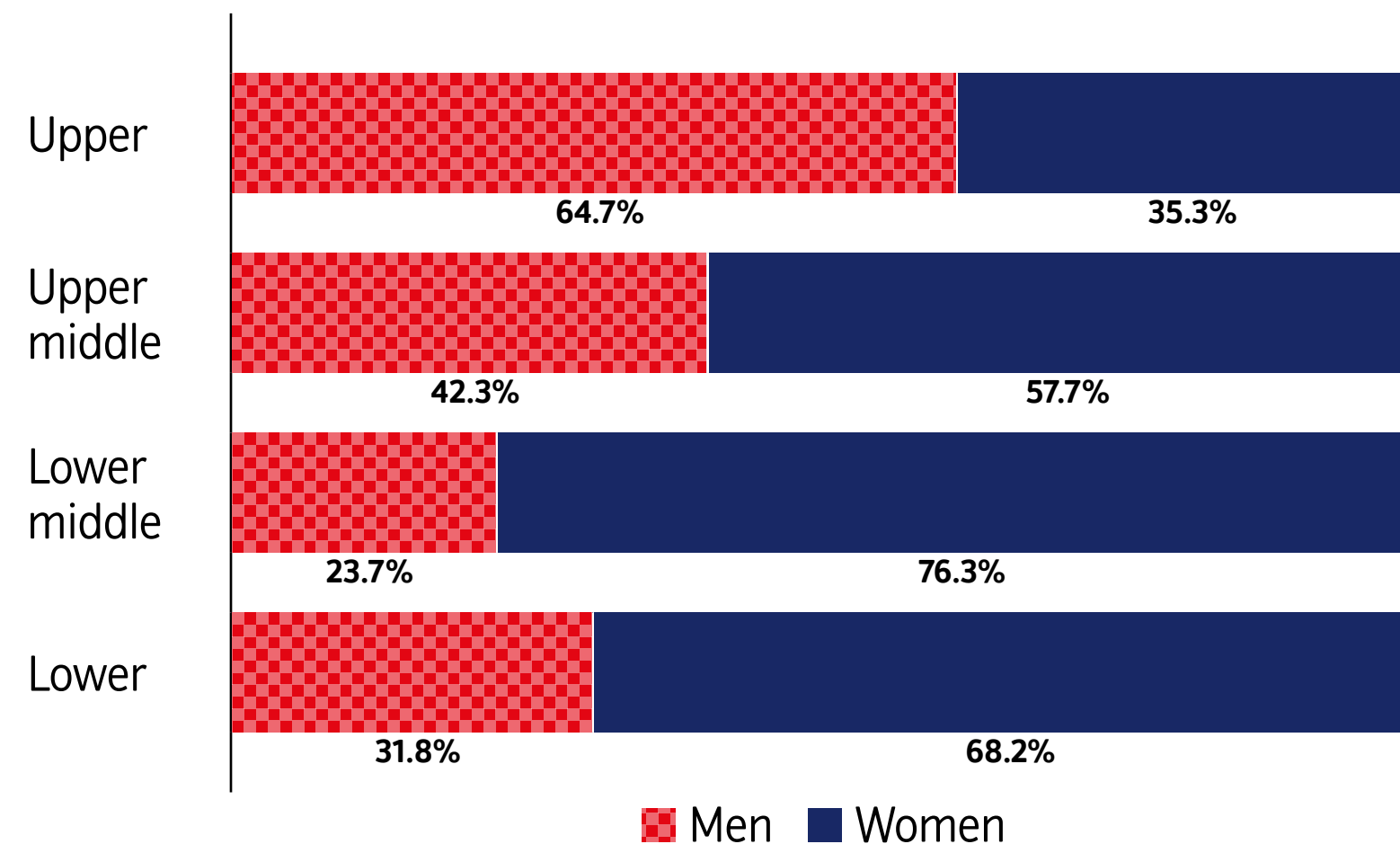


# Our gender and ethnicity pay gaps 2022

## Gender pay gaps

	2022
Mean pay gap	30.0%
Median pay gap	34.4%
Mean bonus gap	43.7%
Median bonus gap	32.3%
Proportion of men receiving bonus	88.9%
Proportion of women receiving bonus	90.5%

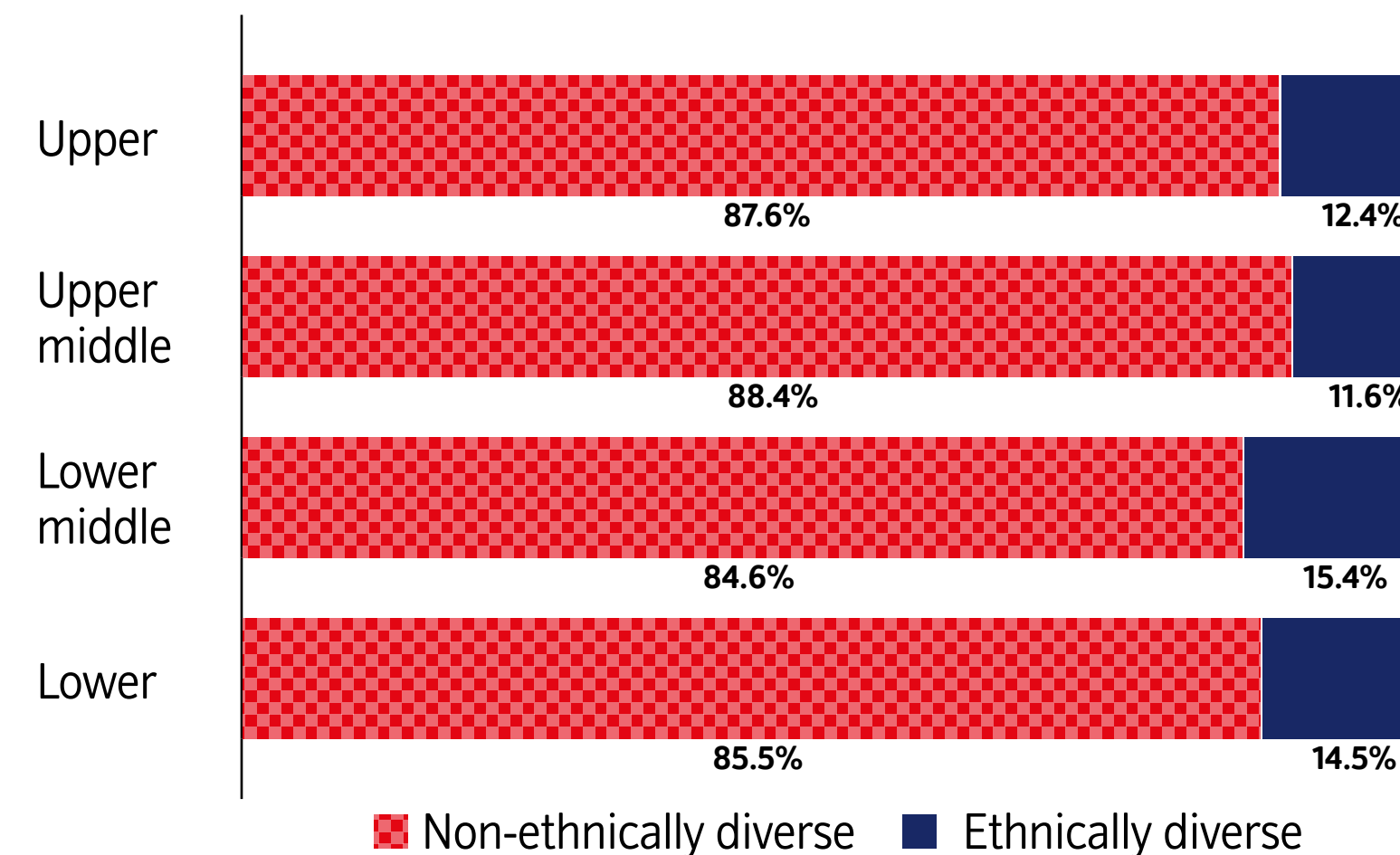
## Proportion of men & women in each pay quartile



## Ethnicity pay gaps

	2022
Mean pay gap	7.4%
Median pay gap	9.6%
Mean bonus gap	32.8%
Median bonus gap	14.2%
Proportion of non-ethnically diverse receiving bonus	94.4%
Proportion of ethnically diverse receiving bonus	85.9%

## Proportion of ethnically diverse & non-ethnically diverse employees in each pay quartile



## Understanding our gaps

- Proportionally, we have more men and non-ethnically diverse employees further up our grading structure, which is the main reason for our pay gaps.
- Compared to 2021, our gender pay gaps have broadly stayed the same. The proportion of men in manager and specialist roles has increased, whilst the proportion of women in member facing and support roles has also increased slightly.
- Our ethnicity pay gaps have decreased since 2021, with the proportion of ethnically diverse colleagues increasing across all areas of the business (member-facing and support, specialists, managers and leadership). The biggest increase is within manager and specialist roles which has been largely driven by recruitment into technology.
- Our bonus gaps increased to a similar level to pre-2020, which we were expecting. This is because in 2021 we returned to a bonus payment based on a percentage of earnings (following a flat £ award in 2020).

## How do we know our employees are paid fairly?

Pay gaps are different to equal pay. Equal pay looks at how colleagues are paid for doing the same or similar work. We regularly monitor pay to ensure our pay policies aren't biased.

**Pay gap:** Percentage difference in the average hourly pay across all employees from a particular group and all employees from another group (e.g. men or women) working at Nationwide as at 5 April 2022. **Bonus gap:** Percentage difference in average bonus paid to employees from a particular group and all employees from another group (e.g. men and women) in the 12 months to 5 April 2022. **The mean:** The average, when all pay or bonuses for a particular group are added together and divided by the number of people in that group. **The median:** The middle value, when pay or bonus for a particular group are listed in numerical order. **Pay quartiles:** If all employees were ordered by their hourly rate of pay, then split into four equal groups. The quartile figures show the proportion of men and women/ethnically diverse and non-ethnically diverse in each group. All percentages are rounded to 0.1%.

Nationwide confirms that the published gender pay gap information is accurate and signed by Debbie Crosbie, Chief Executive Officer.

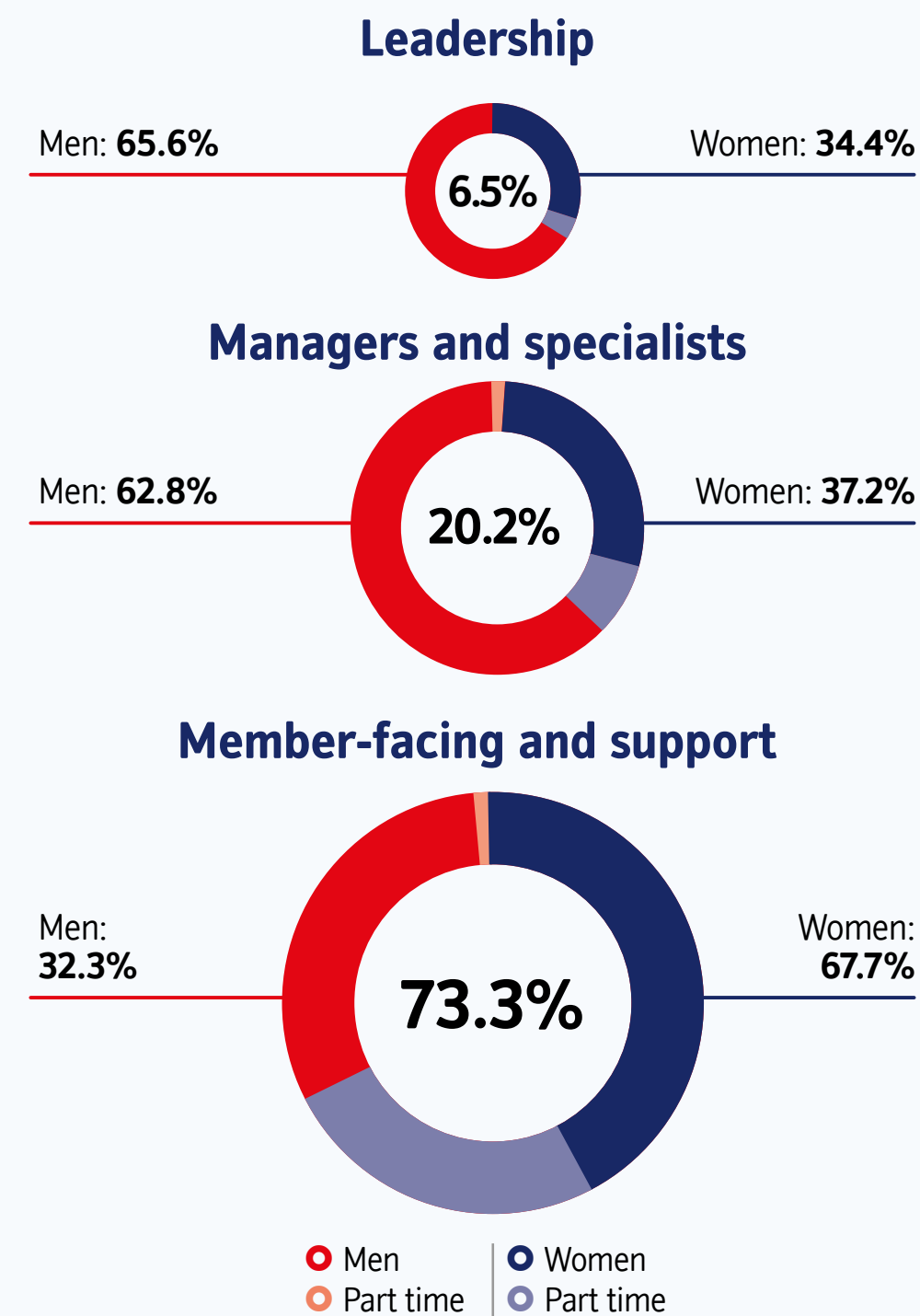
## Our pay gaps are driven by having more women and ethnically diverse employees in our member-facing & support roles, and fewer in manager, specialist and leadership roles

While we have imbalances in the distribution of women and ethnically diverse colleagues, we will have pay gaps. We're proud that colleagues choose to stay with the Society for a long time, so we know that making changes to our workforce mix and pay gaps will take time. This is why it's imperative to continue focusing on our Inclusion Diversity & Wellbeing (ID&W) measures and priorities to create the changes we want to see in the long term.

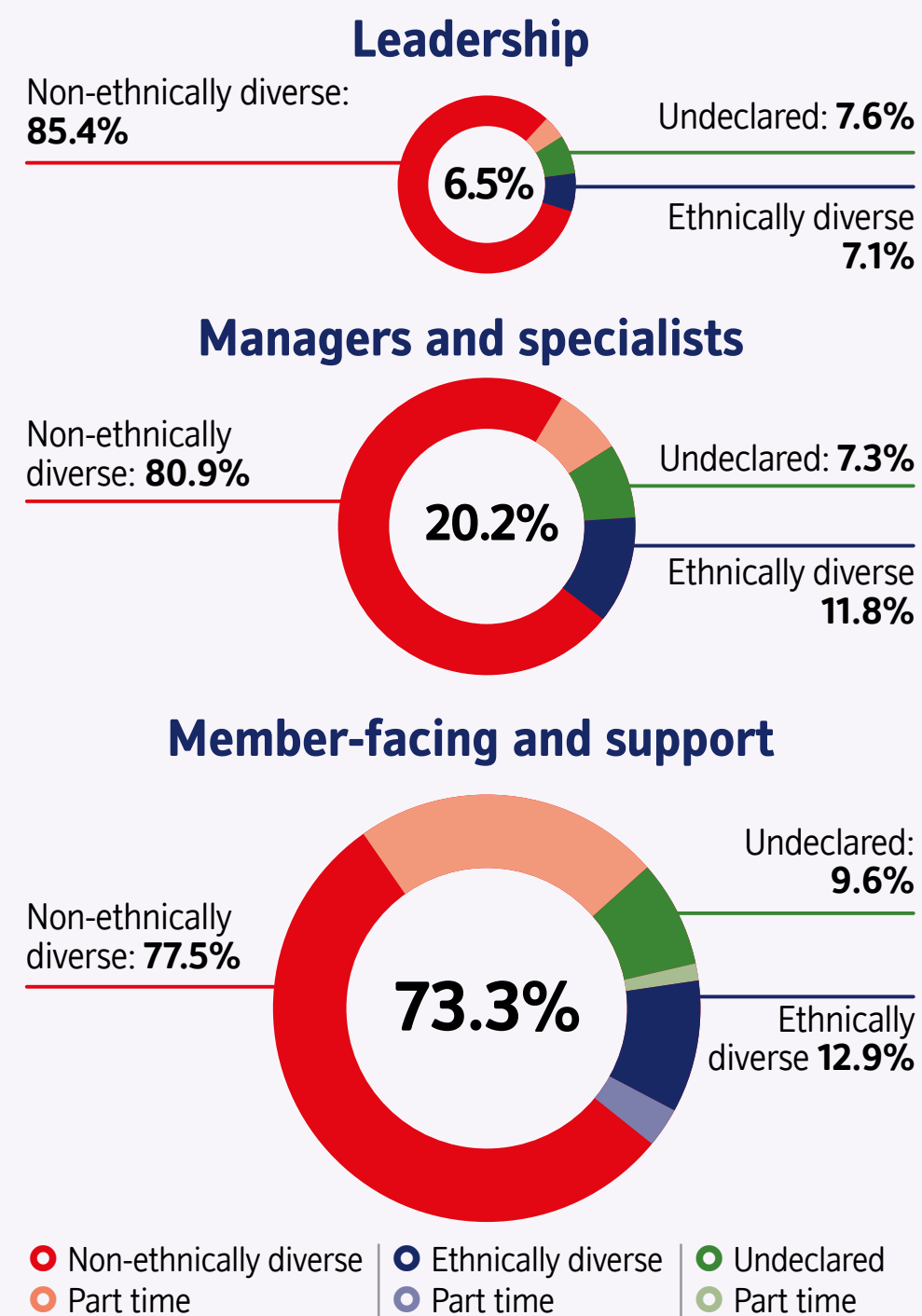
Most of our pay gaps result from imbalances in our gender distribution. For example, if we had 50:50 gender distribution across all job grades in the Society, our mean gender pay gap would reduce from 30.0% to around 2.7%. The remaining gap would be linked to things like having more men than women in roles with in-demand skill sets which typically attract a market premium, or roles which require shift allowance.

We're careful not to look at pay gaps in isolation, because they're not the only measure of inclusion. For example, a company employing only 10% women spread equally across their organisation, could have no pay gap at all. That's why it's important to get underneath the numbers, have a data-driven approach and stay focused on our ID&W measures and priorities.

### Gender distribution



### Ethnicity distribution



### Creating an inclusive culture - what we're doing

- Successfully introduced diverse interview panels to address unconscious bias and promote equity throughout the selection process.
- Commissioned an independent review informing our ID&W priorities to accelerate progress.
- Partnered with 10,000 Black Interns to offer paid work experience, providing critical training and development opportunities.
- Introducing an interactive ID&W dashboard to enable leaders to understand progress and opportunities.
- Creating targeted interventions to identify and develop diverse talent, such as proactive succession planning, external talent mapping and talent acceleration programme.
- Redesigning our performance management approach to minimise any potential unconscious bias in goal setting and reward decisions.
- Incorporating ID&W considerations into our people leader upskilling programme.
- Learn more about our commitment to [inclusion and diversity](https://www.nationwide.co.uk/inclusion-and-diversity) on [nationwide.co.uk](https://www.nationwide.co.uk)

Gender and ethnicity distribution as at 5 April 2022, including those with a contract of employment, temporary workers contracted to personally provide a service and non-executive directors.