

Gender Pay Reporting

Communications and infrastructure continue to play a key role in driving the UK economy forward in hugely unpredictable times.

The John Henry Group has evolved from its origin as a family business and remains proud of its 30-year legacy. The business has retained the family ethos within the company values of Excellence, Together, and Forward Thinking.

We remain committed to investing in our people to enable them to grow and progress their career with us retaining the skills and expertise required to be a successful business.

Figure 1: Summary of Gender Pay Reporting as at 5 April 2024		
	Male %	Female %
Mean Gender Pay Gap	+28.3%	
Median Gender Pay Gap	+28.9%	
Mean Bonus Gender Pay Gap	+15.9%	
Median Bonus Gender Pay Gap	0.0%	0.0%
Proportion Receiving a Bonus	31.3%	60.0%
Proportion In Each Quartile Pay Band		
Lower Quartile	54.1%	45.9%
Lower Middle Quartile	67.6%	32.4%
Upper Middle Quartile	86.5%	13.5%
Upper Quartile	83.8%	16.2%
All Employees	73.0%	27.0%

In comparison with the prior year, the 2024 data shows:

- The Mean Gender Pay Gap has increased from 16.2% to 28.3%
- The Median Gender Pay Gap has increased from 27.5% to 28.9%
- The total proportion of female employees has decreased from 33.3% to 26.8%

Despite an overall increase in employee numbers of 8.4% in the year, the number of female employees has declined by 12.1% with a disproportionately high level of reduction being in the higher pay quartiles.

Figure 2 shows the proportion of total males and total females included in each pay quartile and the change that has occurred in the year.

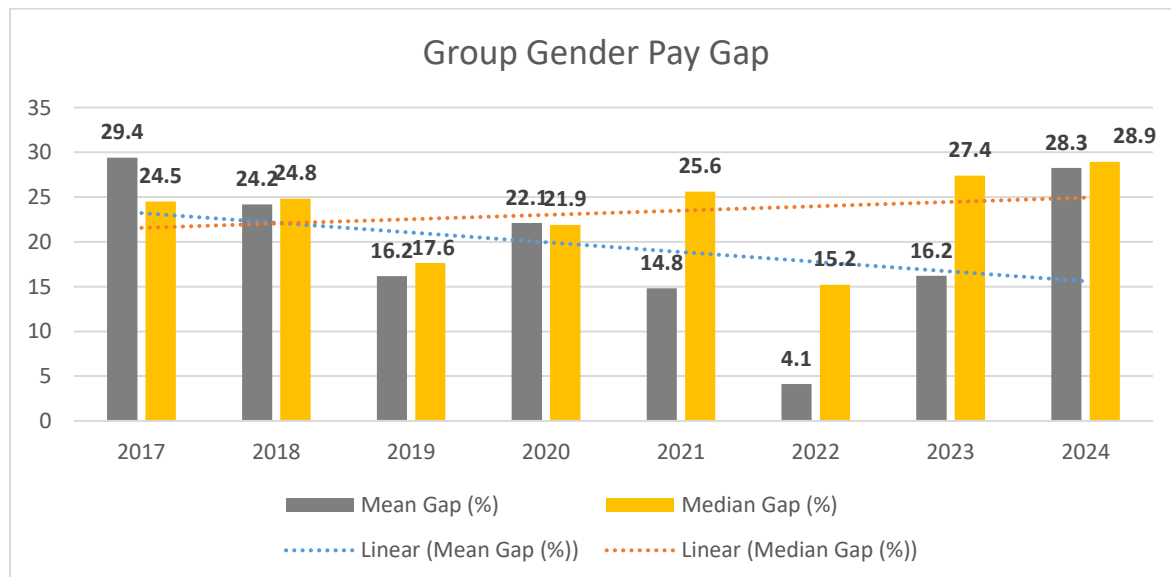
Figure 2 – Proportion included in each Pay Quartile by Gender

	<u>2023</u>		<u>2024</u>		<u>Change</u>	
	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>
	<u>%</u>	<u>%</u>	<u>%</u>	<u>%</u>	<u>%</u>	<u>%</u>
Lower Quartile	19.8	36.2	18.5	42.5	-1.3	+6.3
Lower Middle Quartile	23.1	28.6	23.2	30.0	+0.1	+1.4
Upper Middle Quartile	31.3	12.1	29.6	12.5	-1.7	+0.4
Upper Quartile	25.8	23.1	28.7	15.0	+2.9	-8.1
Total	100.0	100.0	100.0	100.0	0.0	0.0

The decrease in the proportion of females included in the upper pay quartile (-8.1%) is the most significant contributory factor to the widening of the Mean Gender Pay Gap in 2024. This is mainly a consequence of the variability in attrition rates affecting differing elements of the staffing profile. This is as a result of a number of female senior employees leaving the business to pursue careers elsewhere, these roles were spread across Operations & Support services.

Figure 3 shows that significant inroads were made in tightening the Mean gender Pay Gap in the period up to 2022. However, this trend has reversed in each of the last two years.

Figure 3 – Group Gender Pay Gap Historical Trends



Factors that are driving the widening of the mean gender pay gap in the last two years are:

- The need to re-shape the business over this period to address changes in market conditions, combined with the variability in attrition rates affecting differing elements of the staffing profile

- The nature of the industry in which the John Henry Group operates and the historic male dominance in the industry which, over time, has resulted in males occupying a greater proportion of the more senior, highly skilled positions that attract the higher salaries.
- The length of service of employees in the Upper Quartile pay bracket with females, in general, being relative newcomers to the industry and yet to gain comparable experience and skills that, in time, will see a greater proportion move into roles that are rewarded with higher pay.

Prior to 2023, there were clear indications that the policies and practices that are embedded in the John Henry Group business had some success in moving more women into the higher quartile pay brackets over several years. This, in turn, contributed to an erosion of the Gender Pay Gap over time.

The key elements of the strategy that resulted in this success are:

- Continual review and monitoring of policies across the business to ensure they are aligned with industry best practice and to ensure they continue to provide an environment of equal opportunities for both males and females, including such policies as:
 - Parental leave policies
 - Flexible and hybrid working arrangements
- To attract and retain the best talent of whatever gender, employee benefits packages are regularly reviewed and monitored. Salary packages are subject to external benchmarking as part of the annual performance appraisal process and as part of the recruitment process for new roles or to replace leavers. The Group has a programme to introduce affordable improvements in benefits to remain competitive with our existing employees and potential recruits.
- Annual pay awards are linked to individual performance. Senior management are actively involved in the process to address any potential pay discrepancies or misalignments for people carrying out the same roles that are not justified by individual performance measures.
- A training and development programme designed to:
 - Equip individuals with the skills needed to deliver in their existing role.
 - Support targeted skills training to ensure there is opportunity for progression for all employees.

- Develop and provide support for promotion and career enhancing opportunities within the business.
- Encourage and welcome internal applicants for more senior roles when opportunities arise.

The strategy that resulted in the previous successes will continue. However, it is also recognised that further measures may be needed to support the retention of the more experienced and skilled female employees for the benefit of the business.

I can confirm that our gender pay gap calculations are accurate and meet the requirements of the methodology set out in the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

We look forward to building on our success over a number of years and demonstrating ongoing continued improvement, showing our commitment to equality. We have built a strong business based on our family values. Our future success will be built on our core values of Excellence, Forward Thinking, and Togetherness.



John Henry

Director