

# Pay gap report 2026

Representation and pay as at 31 March 2026



# Introduction

This report presents Nest's gender and ethnicity pay gap data as at 31 March 2026, which we publish annually in arrears.

At Nest, we are committed to being an inclusive, welcoming and fair organisation. We want all colleagues to have equitable access to opportunity, development and progression, and to feel supported throughout their careers.

Our approach spans the full employee lifecycle – from attraction and recruitment through to development, progression and reward – and is focused on identifying and addressing structural barriers where they exist.

By strengthening fairness and inclusion within our organisation, we also strengthen our ability to fulfil our public service role and to support the wider pensions sector in driving positive, long-term change.

## Contents

Hello	3
Our people	4
Understanding the gender pay gap	5
Gender representation at Nest	6
Understanding the ethnicity pay gap	8
Ethnic representation at Nest	9
Understanding the disability pay gap	11
What we've done this year	13
What we'll do next	13
Statutory disclosures	14
Methodology	15



# Hello

I'm April Clark, Nest's Chief People Officer. And, together with my colleagues, I'm committed to making Nest a fair, welcoming and inclusive place to work – where everyone has access to opportunities, development and progression, and feels supported throughout their career.

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## What is this report?

This report presents Nest's gender, ethnicity and disability pay gap data on 31 March 2026, which we publish annually in arrears. It highlights where we've made progress and where we can still do better.

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## Why does it matter?

Pay gap reporting is an important tool for helping us spot patterns across the organisation, and shows where we need to focus our attention and action. Of course, we recognise the limits to the data and will keep improving the quality over time.

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## What are we doing next?

Closing pay gaps takes sustained effort, so we're focused on embedding fair, inclusive and transparent practices across recruitment, development, pay and progression, rather than concentrating on short-term measures.

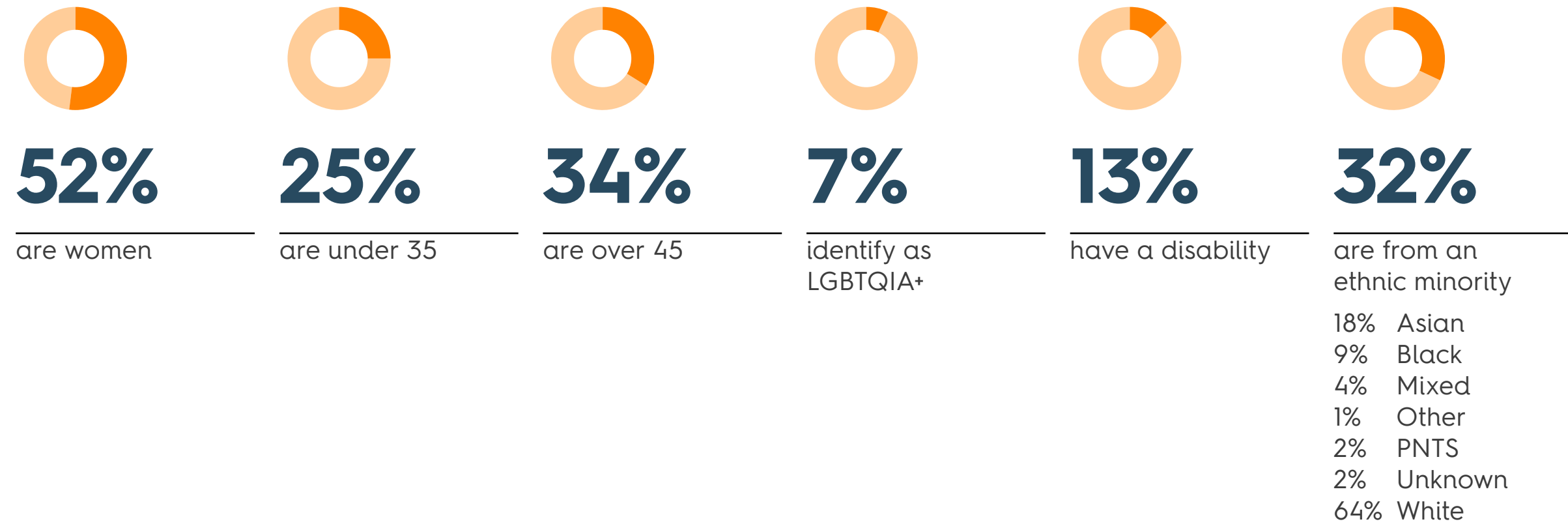
As a public-purpose organisation, we believe openness matters – and publishing this report is part of building trust through accountability and continuous improvement.

I hope you find it an enlightening read.



# Our people

In 2026, of the employees who have self-identified, we see that...



## Survey insights\*



\* Source: Nest all staff engagement survey April 2026



# Understanding the gender pay gap

The gender pay gap shows the percentage difference in average hourly pay between men and women across the organisation. It reflects how men and women are **distributed across roles, grades and levels**, rather than unequal pay for the same work.

## Our gender pay gap (2025/26)

Based on a disclosure rate of 100%:

- mean hourly pay gap: 15.5%
- median hourly pay gap: 13.3%

Both represent a reduction from the previous year.

We've continued to make progress in closing Nest's mean gender pay gap, which fell by 0.8 percentage points to 15.5% in 2025/26. While this movement indicates our actions are having an impact, we recognise further progress is needed and remain committed to making improvements.

## What's changed

The reduction in our mean gender pay gap reflects:

- increased recruitment of women into higher-paid roles compared to previous years
- gradual movement towards more balanced representation across pay quartiles

However, progress remains uneven and fragile, particularly at senior levels and within specific functions.



# Gender representation at Nest

Women make up **52% of our workforce**, consistent with the previous year.

## Leadership

Women represent **54% of our senior leadership population**.

## Attraction and recruitment

In 2025/26, women made up:

- **42% of applicants**
- **51% of hires**

Representation remains weaker at senior levels, where women account for a smaller share of applicants, reflecting known challenges in specialist and senior labour markets.

Encouragingly, the proportion of women hired into higher-paid quartiles increased compared to last year, contributing to the reduction in our pay gap. Sustaining this trend will require continued focus on talent pipelines and inclusive recruitment practices.

**Mean gender pay gap:** The difference between the average hourly earnings of men and the average hourly earnings of women.

**Median gender pay gap:** This is based on arranging all the pay amounts in numerical order and selecting the middle amounts.

## Pay and bonus gap

	March 2025		March 2026		Difference	
	Mean	Median	Mean	Median	Mean	Median
<b>Pay gap</b>	16.30%	13.8%	15.5%	13.3%	-1.0%	-0.05%
<b>Bonus gap</b>	12.0%	0.0%	8.6%	0.0%	3.4%	+/-0%

## Bonus eligibility

	March 2025	March 2026	Difference
<b>Proportion who receive bonus</b>	75% women, 82% men	70% women, 70% men	- 7% gap between those who receive compared to last year. Now 0% difference.

Note: Due to rounding there may be a +/- difference in trending shown compared to 2025 numbers displayed.

## Pay quartiles

### March 2025



**Upper**  
 ● 56% Men  
 ● 44% Women



**Upper middle**  
 ● 54% Men  
 ● 46% Women



**Lower middle**  
 ● 47% Men  
 ● 53% Women



**Lower**  
 ● 30% Men  
 ● 70% Women

### March 2026



**Upper**  
 ● 57% Men  
 ● 43% Women



**Upper middle**  
 ● 58% Men  
 ● 42% Women

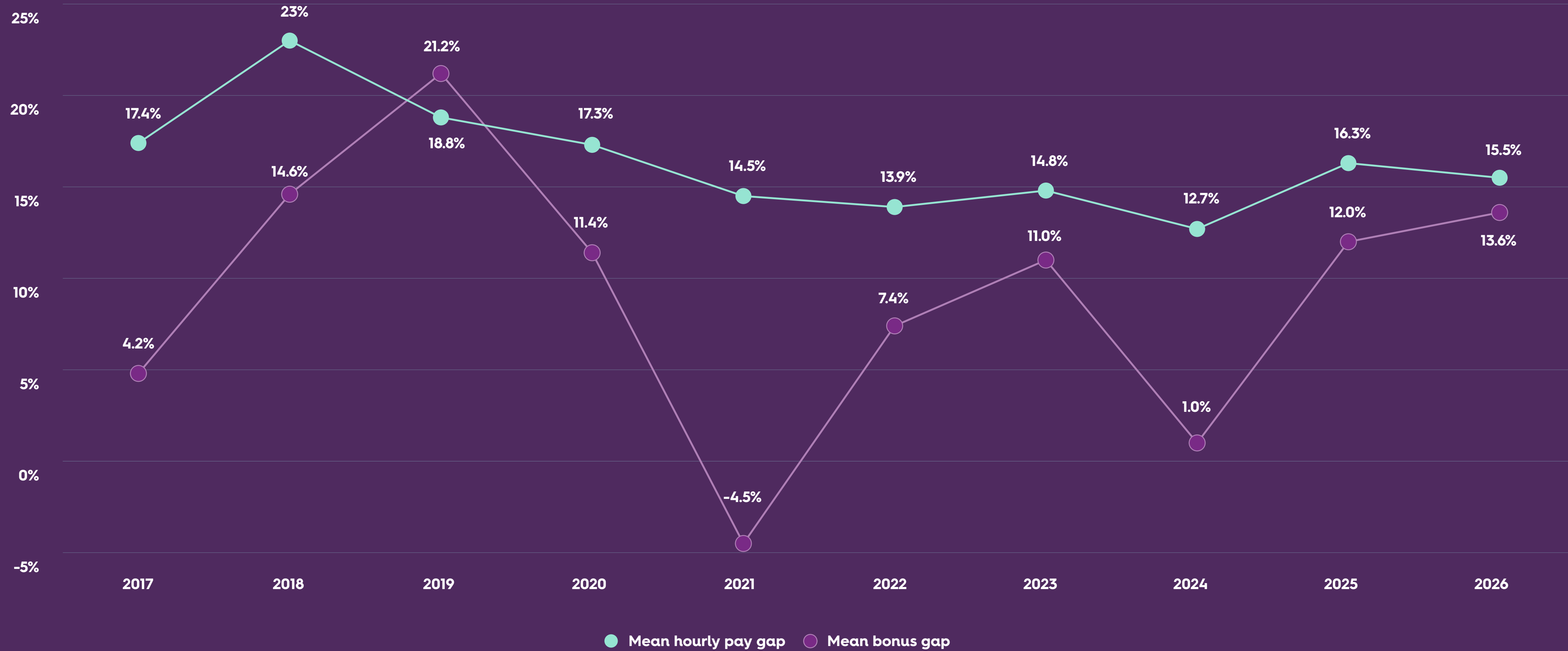


**Lower middle**  
 ● 47% Men  
 ● 53% Women



**Lower**  
 ● 30% Men  
 ● 70% Women

### Mean hourly pay gap and bonus gap over time



# Understanding the ethnicity pay gap

The ethnicity pay gap measures differences in average pay between colleagues from **ethnically diverse backgrounds** and **white colleagues**.

In this report:

- Ethnicity categories are based on the **2021 UK Census**.
- To protect anonymity, results are presented using aggregated groups.
- We acknowledge the impact of **non-disclosure**, particularly at senior levels.

As with gender, ethnicity pay gaps reflect representation and progression patterns, not unequal pay for the same job. Equal pay is monitored separately through governance and review processes.

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## Our ethnicity pay gap at a glance (2025/26)

Based on a disclosure rate of 98%.

- Mean hourly ethnicity pay gap: 22.1% (down 2.2 percentage points)
- Median hourly ethnicity pay gap: 22.8%

This reduction reflects fewer colleagues from ethnically diverse backgrounds being recruited into the lowest-paid roles compared to previous years. However, under-representation at senior levels continues to drive a gap.

Marginal increases across ethnic groups can be attributed to greater ethnic diversity at junior levels where we have greater opportunity to diversify more quickly and in larger numbers. Some ethnic groups are less represented and so we're more likely to see fluctuations in the data. We'll continue to focus on providing equitable opportunities to strengthen and sustain our talent pipeline.



# Ethnic representation at Nest

## Representation and retention

- 32% of colleagues identify as being from an ethnically diverse background – higher than the UK population average
- Leaver rates broadly mirror overall representation, but this still equates to a meaningful proportion of the ethnically diverse workforce

Understanding lived experience, progression barriers and retention remains critical, particularly where quantitative data alone provides limited insight.

So, alongside workforce data, we draw on insight from our colleague survey and other feedback to give us a better understanding of how colleagues experience our systems, culture and opportunities at different stages of their career.

This helps us to identify themes, test assumptions and find out where further action or attention might be needed.

**Mean ethnicity pay gap:** The mean difference between the average hourly earnings of colleagues from ethnically diverse backgrounds and white colleagues.

**Median ethnicity pay gap:** The median difference between the average hourly earnings of colleagues from ethnically diverse backgrounds and white colleagues.

## Pay and bonus gap

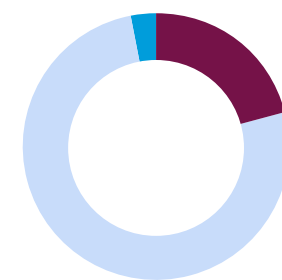
	April 2025		April 2026		Difference	
	Mean	Median	Mean	Median	Mean	Median
<b>Pay gap</b>	25.1%	23.6%	22.9%	22.8%	-2.2%	-0.08%
<b>Bonus gap</b>	14%	0%	6.5%	0%	-7.5%	+/-0%

## Bonus eligibility

	April 2025	April 2026	Difference
<b>Proportion who receive bonus</b>	73% minority ethnic, 81% white	68% minority ethnic, 72% white	Gap is now 4%, down 4% from last year

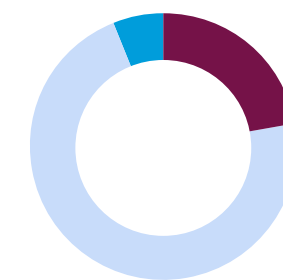
## Pay quartiles

### April 2025



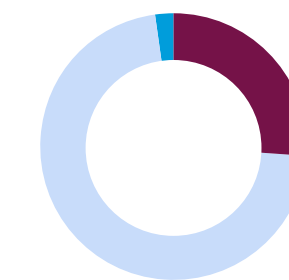
#### Upper

- 21% Ethnic minority
- 76% White
- 3% Unknown



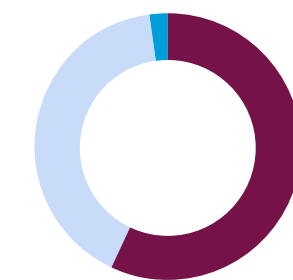
#### Upper middle

- 22% Ethnic minority
- 71% White
- 6% Unknown



#### Lower middle

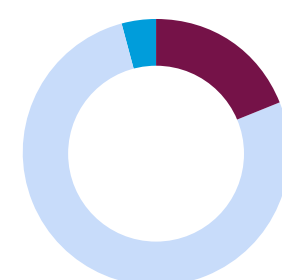
- 26% Ethnic minority
- 71% White
- 2% Unknown



#### Lower

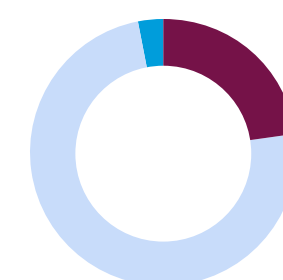
- 57% Ethnic minority
- 41% White
- 2% Unknown

### April 2026



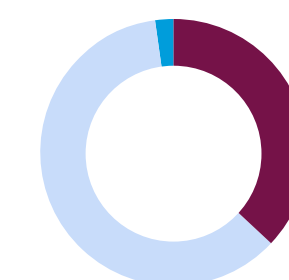
#### Upper

- 19% Ethnic minority
- 77% White
- 4% Unknown



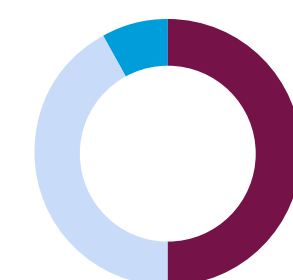
#### Upper middle

- 23% Ethnic minority
- 74% White
- 3% Unknown



#### Lower middle

- 37% Ethnic minority
- 61% White
- 2% Unknown



#### Lower

- 50% Ethnic minority
- 42% White
- 8% Unknown

### Asian pay gap

	April 2025		April 2026		Difference	
	Mean	Median	Mean	Median	Mean	Median
Pay gap	20%	22%	18%	22%	-2%	+/-0%
Bonus gap	11%	0%	5%	0%	-6%	+/-0%
Proportion who receive bonus	77%		71%			

### Black pay gap

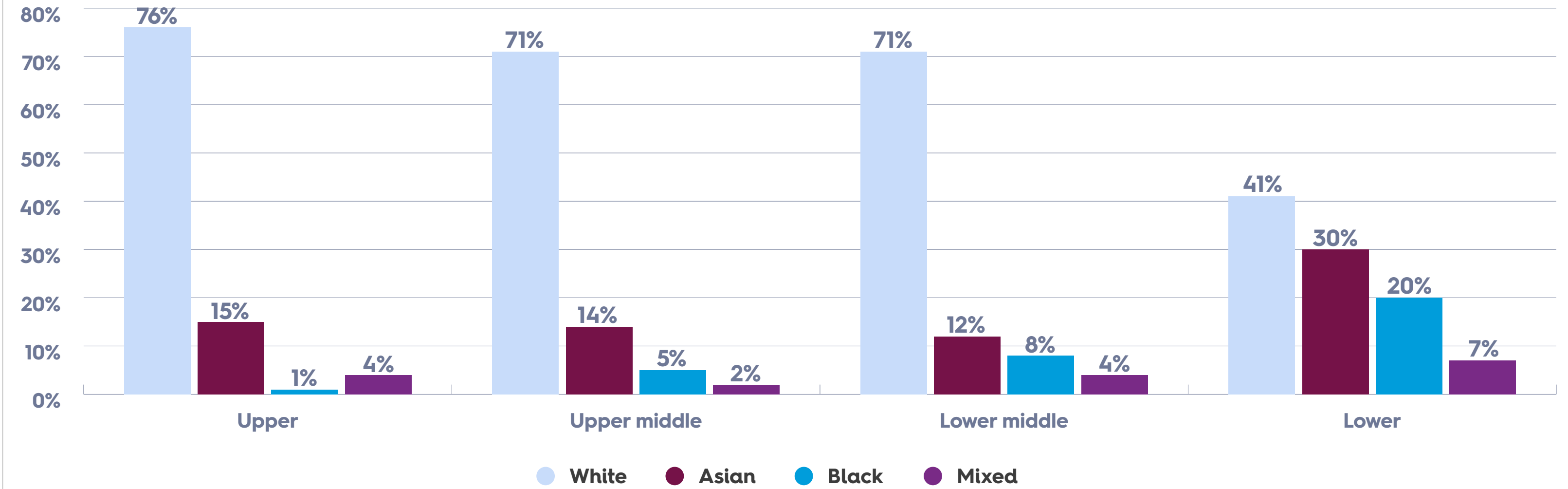
	April 2025		April 2026		Difference	
	Mean	Median	Mean	Median	Mean	Median
Pay gap	40%	31%	39%	31%	-1%	+/-0%
Bonus gap	14%	0%	8%	0%	-6%	+/-0%
Proportion who receive bonus	71%		59%			

### Mixed pay gap

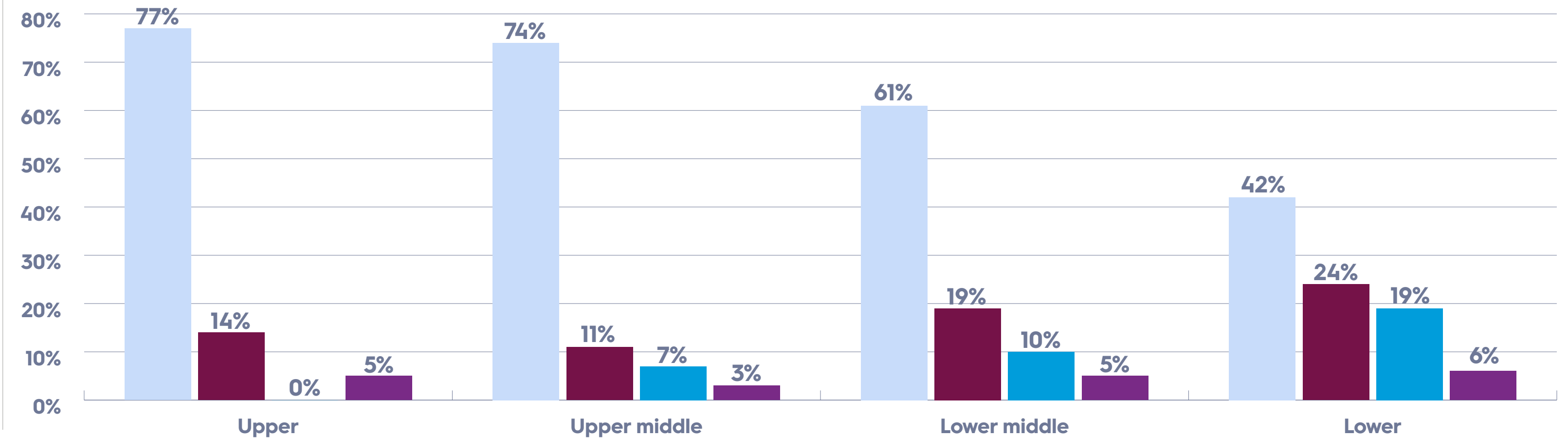
	April 2025		April 2026		Difference	
	Mean	Median	Mean	Median	Mean	Median
Pay gap	16%	12%	6%	12%	-10%	+/-0%
Bonus gap	35%	0%	11%	0%	-24%	+/-0%
Proportion who receive bonus	56%		79%			

### Pay quartiles

#### March 2025



#### March 2026



# Understanding the disability pay gap

The disability pay gap shows the difference in average pay between colleagues who identify as **disabled** and those who identify as **non-disabled** across the organisation. It reflects how colleagues with and without disabilities are represented across roles, grades and levels of seniority, rather than unequal pay for the same or equivalent work.

As with gender and ethnicity, disability pay gap reporting is distinct from equal pay. While this section focuses on pay gaps at an organisational level, we continue to monitor equal pay internally through established governance and review processes to ensure colleagues are paid fairly.

## How we define disability

Disability data in this report is based on colleagues' voluntary self declaration. For the purposes of this analysis, disability is defined in line with the **Equality Act 2010**, which recognises disability as a physical or mental impairment that has a substantial and long term adverse effect on an individual's ability to carry out normal day to day activities.

Colleagues are grouped into two categories:

- Disabled
- Non-disabled

Colleagues who chose not to disclose their disability status are excluded from the disability pay gap calculations.

**Mean disability pay gap:** The mean difference between the average hourly earnings of colleagues who identify as disabled and those who identify as non-disabled.

**Median disability pay gap:** The median difference between the average hourly earnings of colleagues who identify as disabled and those who identify as non-disabled.

## Pay and bonus gap

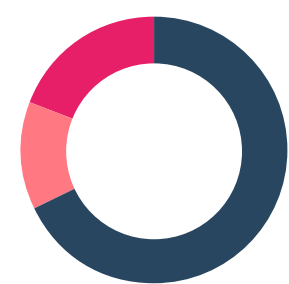
	March 2025		March 2026		Difference	
	Mean	Median	Mean	Median	Mean	Median
<b>Pay Gap</b>	5.7%	6.5%	12.9%	6.8%	+7.2%	+0.03
<b>Bonus Gap</b>	11%	0%	11.8%	0%	+0.8%	+/-0%

## Bonus eligibility

	March 2025	March 2026	Difference
<b>Proportion who receive bonus</b>	67% disabled received bonus vs. 76% non-disabled so 9% difference	68% disabled received bonus vs. 73% non-disabled received bonus so difference of 5%	Difference in gap of 4%

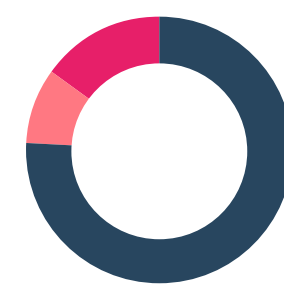
## Pay quartiles

### March 2025



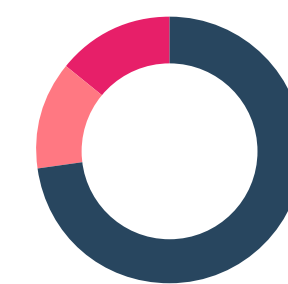
#### Upper

- 68% Non-disabled
- 13% Disabled
- 19% Unknown



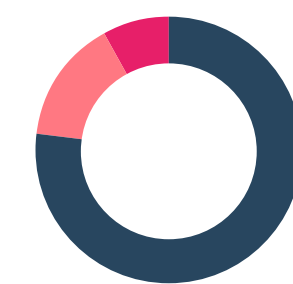
#### Upper middle

- 76% Non-disabled
- 9% Disabled
- 15% Unknown



#### Lower middle

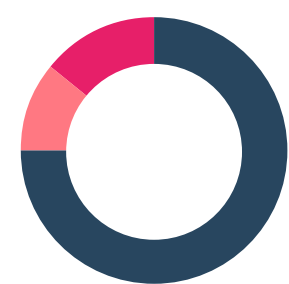
- 73% Non-disabled
- 13% Disabled
- 14% Unknown



#### Lower

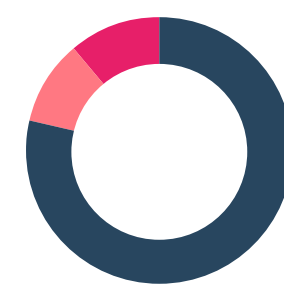
- 77% Non-disabled
- 15% Disabled
- 8% Unknown

### March 2026



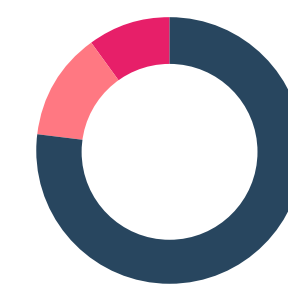
#### Upper

- 75% Non-disabled
- 11% Disabled
- 14% Unknown



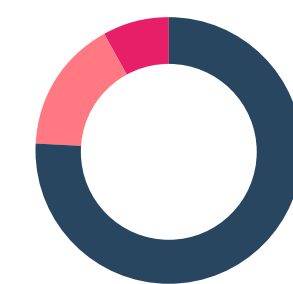
#### Upper middle

- 78% Non-disabled
- 10% Disabled
- 11% Unknown



#### Lower middle

- 77% Non-disabled
- 13% Disabled
- 10% Unknown



#### Lower

- 76% Non-disabled
- 16% Disabled
- 8% Unknown

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## Interpreting the data

Disability pay gap figures can be significantly influenced by:

- disclosure rates
- small population sizes
- concentration of roles at certain levels or functions
- patterns of progression and retention over time

For these reasons, year-on-year movement should be interpreted with caution, particularly where numbers are small. The data provides insight into structural patterns but doesn't, on its own, explain individual experiences or outcomes.

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## Representation and retention

- **Percentage of colleagues identifying as disabled: 13%**
- **Percentage of colleagues identifying as non-disabled 77%**

Understanding representation and retention is an important part of interpreting the disability pay gap. We continue to use a combination of workforce data and colleague feedback to build our understanding of how experiences and outcomes may differ for disabled colleagues.

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## Progression, development and performance

We monitor progression, development and performance outcomes to make sure we're acting with fairness and consistency. Where data volumes allow, this includes reviewing outcomes for disabled and non-disabled colleagues to identify potential differences or areas to investigate further.

As with other aspects of our pay gap analysis, small cohort sizes mean we take care not to draw conclusions that aren't supported by the data.

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## Our approach to inclusion and equity

Integrating inclusion and equity into how we operate is central to how we deliver on our purpose. While senior leaders are accountable for setting direction and driving progress, creating meaningful and lasting inclusion depends on everyone across the organisation.

### We're data-led

Combining workforce metrics with colleague feedback means we can better understand how experiences and outcomes differ across groups, including by gender and disability. This means we can identify where we're making progress, where barriers remain, and where further action is needed.

By embedding inclusion, fairness and equity into leadership discussions on performance, capability and delivery – and by fostering a culture where all colleagues play an active role – we aim to create an environment that supports long-term equality and inclusion.

### We're holistic

We take a whole-lifecycle approach to inclusion – from attraction and recruitment through to onboarding, development, progression and retention.

This reflects our understanding that pay gaps and representation outcomes are shaped over time by organisational systems, processes and behaviours, as well as by the accessibility of roles, our workplace and ways of working.

### We support better outcomes

Through our wider people and DEI strategies, we've set clear ambitions to improve gender balance, strengthen disability inclusion, and close gaps in experience and opportunity across the organisation.

Improving representation and inclusion at senior levels supports better decision-making, brings a wider range of perspectives, and helps us stay effective, resilient and responsive as we continue to evolve.

## We monitor progress

Monitoring is through regular analysis of workforce and inclusion data, supported by governance oversight. And we recognise that sustainable progress needs long-term commitment, transparency, continuous learning and ongoing engagement with colleagues' lived experiences.

Through this approach we aim to build a more inclusive place to work, where everyone has the opportunity to contribute, progress and develop.

## What we've done this year

Across gender, ethnicity and disability, we've:

- Strengthened governance around pay, performance and reward decisions.
- Continued to monitor equal pay alongside pay gaps.
- Improved transparency around how decisions are made.
- Refreshed our external brand and recruitment practices.
- Expanded flexible working, job-sharing and menopause support.
- Collaborated across the pensions industry to drive wider change.

## What we'll do next

Over the coming year, we'll focus on:

- Strengthening internal progression and succession planning.
- Improving the quality and use of workforce and listening data.
- Supporting inclusive leadership and management capability.
- Further embedding fair, structured development conversations.
- Improving ethnicity disclosure at senior levels.
- Continuing to align pay gap analysis with our wider DEI strategy.

We recognise that closing pay gaps won't happen overnight. It takes ongoing commitment, open conversations about where we can do better, and a willingness to keep learning and improving along the way.

# Statutory disclosures

Nest has a single UK legal entity with at least 250 employees and so is required to publish gender pay gap data under the Equality Act 2010. In line with these regulations, this report sets out Nest's gender pay gap data on 31 March 2026.

## Gender

	March 2026
Gender pay gap using mean hourly pay	15.5%
Gender pay gap using median hourly pay	13.3%
Gender bonus gap using mean bonus	8.6%
Gender bonus gap using median bonus	0%
Proportion of men who received a bonus	70%
Proportion of women who received a bonus	70%

## Ethnicity

	March 2026
Ethnicity pay gap using mean hourly pay	22.9%
Ethnicity pay gap using median hourly pay	22.8%
Ethnicity bonus gap using mean bonus	6.5%
Ethnicity bonus gap using median bonus	0%
Proportion of white who received a bonus	72%
Proportion of ethnic minority who received a bonus	68%

## Disability

	March 2026
Disability pay gap using mean hourly pay	12.9%
Disability pay gap using median hourly pay	6.8%
Disability bonus gap using mean bonus	11.8%
Disability bonus gap using median bonus	0%
Proportion of non-disabled who received a bonus	73%
Proportion of disabled who received a bonus	68%

# Methodology

## Scope of this report

This report sets out Nest's **gender ethnicity and disability pay gap data** based on a snapshot date of **31 March 2026**. Gender pay gap reporting is a statutory requirement under the **Equality Act 2010** for organisations with more than 250 employees. Ethnicity pay gap reporting is not currently mandatory in the UK, however, we've chosen to report this data voluntarily using the same methodology as gender pay gap reporting.

## Data sources

Pay gap calculations are based on payroll data and workforce information held by Nest as at the snapshot date. For bonus pay gap calculations, all employees employed on that date are included, regardless of whether they work full time or part time.

For hourly pay gap calculations, only employees who were paid their usual full basic pay during the relevant pay period are included, in line with government guidance. This means colleagues who were on paid leave and received their usual full pay (for example, those on long-term sick leave who continued to receive full pay, including where this was topped up from statutory sick pay) are included.

Colleagues who did not receive their usual full basic pay during the pay period, such as those who had exhausted paid sickness absence, are excluded from the hourly pay gap calculation.

## How we calculate pay gaps

Pay gaps are calculated in line with statutory guidance and are expressed as the percentage difference between the average hourly pay or bonus pay of different groups.

We report both:

- **mean pay gaps**, which compare average pay across groups
- **median pay gaps**, which compare the midpoint of pay across groups

Pay used for the calculations includes:

- ordinary earnings including basic pay, allowances and paid leave
- bonus pay received in the 12 months prior to the snapshot date

Pay gap figures are influenced by how colleagues are distributed across roles, grades and levels of seniority. They do **not** indicate unequal pay for the same or equivalent work.

## Gender pay gap

For gender pay gap reporting, colleagues are grouped by men and women, in line with statutory reporting requirements.

The report includes:

- mean and median hourly gender pay gaps
- mean and median gender bonus pay gaps
- the proportion of men and women receiving a bonus
- the distribution of men and women across pay quartiles

## Ethnicity pay gap

Ethnicity data is collected using categories aligned to the **UK Government and Office for National Statistics (ONS)** classifications.

To support confidentiality and enable meaningful analysis, ethnicity pay gap reporting in this report uses 2 aggregated categories:

- **white** (all white backgrounds).
- **ethnically diverse** (all other declared ethnic backgrounds).

This approach reflects current UK best practice, particularly where the size of individual ethnic group populations may be small.

The ethnicity pay gap section includes:

- mean and median hourly ethnicity pay gaps
- mean and median ethnicity bonus pay gaps
- the proportion of colleagues receiving a bonus
- the distribution of colleagues across pay quartiles

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## Disability pay gap

Disability data is collected based on colleagues' **voluntary self-declaration**, using a definition aligned with the **Equality Act 2010**.

To support confidentiality and enable meaningful analysis, disability pay gap reporting in this report uses 2 categories:

- disabled
- non-disabled

Colleagues who have not disclosed their disability status are excluded from the disability pay gap calculations.

This approach reflects current UK best practice, particularly given the sensitivity of disability data, varying disclosure rates and the relatively small size of some population groups, which can otherwise limit the robustness of analysis.

The disability pay gap section includes:

- mean and median hourly disability pay gaps
- mean and median disability bonus pay gaps
- the proportion of colleagues receiving a bonus
- the distribution of colleagues across pay quartiles

As with gender and ethnicity, disability pay gap figures reflect patterns of representation, progression and role distribution across the organisation, rather than unequal pay for the same or equivalent work.

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## Equal pay

Pay gap reporting differs from **equal pay**, which considers whether individuals are paid fairly for performing the same or equivalent roles. While this report focuses on pay gaps at an organisational level, we also monitor equal pay internally through established governance and review processes.

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## Limitations of the data

Pay gap data provides insight into patterns across the organisation but has limitations. Results can be affected by:

- small population sizes in certain roles or levels
- non-disclosure of gender, ethnicity or diversity
- changes in recruitment, retention or role distribution year-to-year

For these reasons, pay gap figures should be interpreted alongside wider workforce data and colleague insight.

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## Use of this analysis

Nest uses pay gap analysis alongside other workforce and inclusion data to:

- understand structural patterns in pay and representation
- inform people and DEI priorities
- support targeted action over time

We recognise that closing pay gaps requires sustained effort and long-term focus across the employee lifecycle.



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