

MEARS[®]

Mears Group PLC

Our Gender Pay Gap Report

Mears Group's report is based on the UK's gender pay gap reporting requirements





GENDER PAY GAP REPORTING 2025

"We are pleased to report that the percentage of women in our workforce has increased again. Diversity, inclusion and wellbeing is key to the Mears values. We see it as part of our day-to-day work enabling us to build the best outcomes for our customers, clients and colleagues."

WHO WE ARE

Mears is a leading provider of services to the Housing sector, providing a range of services to individuals within their homes. We manage and maintain around 450,000 homes across the UK and work predominantly with Central Government and Local Government, typically through long-term contracts. We equally consider the residents of the homes that we manage and maintain to be our customers, and we take pride in the high levels of customer satisfaction that we achieve.

Mears currently employs almost 6,000 people and provides services throughout the UK. In partnership with our Housing clients, we provide property management and maintenance services. Mears has extended its activities to provide broader housing solutions to solve the challenge posed by the lack of affordable housing and to provide accommodation and support for the most vulnerable.

Our business is founded in local communities where we deliver the highest standards of care to people, their homes and their environment.

Our housing teams provide rapid response and planned maintenance services for a nationwide portfolio of homes.

Our housing management teams work in partnership with Central and Local Government, registered providers and landlords to provide more social and affordable housing. The division also provides extensive Facilities Management services.

Our care teams support extra care and supported living settings for people with care needs across the UK.

What remains as a constant is Mears' genuine social heart. We continue to differentiate from competitors on our commitment to make a difference in the communities we serve, positioning ourselves as a partner to the sector, rather than just a contractor.

We are very proud to have retained our recognition as a Top 25 Best Big Company to Work For, which further evidences our continued focus and commitment to our colleagues and creating a fair and great place to work.



Declaration

I confirm that our data has been calculated according to the requirements of the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

Lucas Critchley, Chief Executive Officer, Mears Group PLC



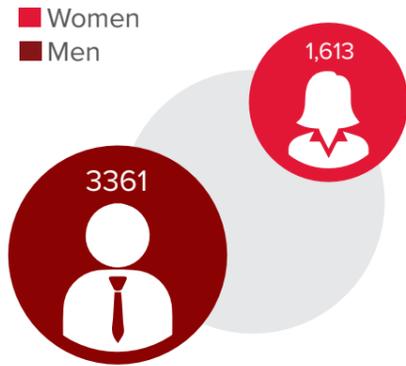
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Jo Fry, Group Director of HR, Mears Group PLC

OUR RESULTS FOR THE ENTIRE GROUP >

Number of employees



We collected our data on 5 April 2025, when our workforce consisted of 1,613 women and 3,361 men.

Despite positive progress with the percentage of women in our workforce rising to 32.4%, our mean pay gap has risen from 9.3% to 11.1%. This is still below the national average of 12.8%* and we continue to work hard to address this discrepancy. Analysis of the data continues to demonstrate that the pay gap is not the result of pay inequality. The mean gender pay gap has decreased from 19.6% in 2022 to 11.1% in 2025. The median gender pay gap has decreased from 23.7% to 17.0% in 2025. This decrease is principally down to an increase in the proportion of females working in higher paid housing roles helped by our efforts to address underrepresentation in the workforce. This reduction in the pay gap since 2022 provides evidence that our current policies and procedures are having a positive impact.

We continue to voluntarily publish our ethnicity pay gap. Analysing diversity data and being transparent about the diversity of our workforce is an important step in creating meaningful change towards a fairer, more inclusive workplace. We continue to encourage our colleagues to tell us their ethnicity and our analysis is based on the 95% of our workforce who have told us. Our mean pay gap has decreased from 15.7% to 14.8% in 2025.

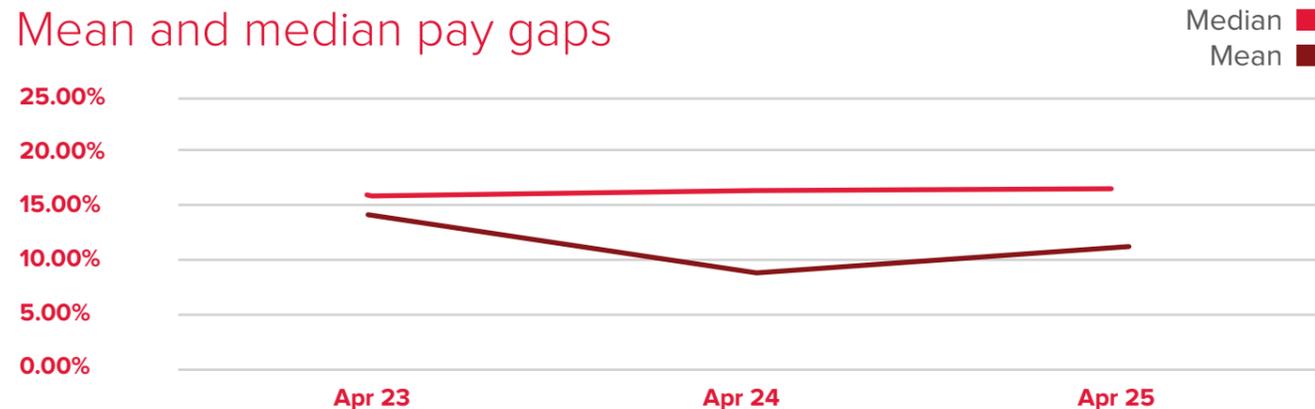
Work continues as we maintain and enforce a robust approach to our pay management. This means that pay decisions are verified as part of our pay governance procedures to ensure fairness and consistency.

* based on provisional ASHE data

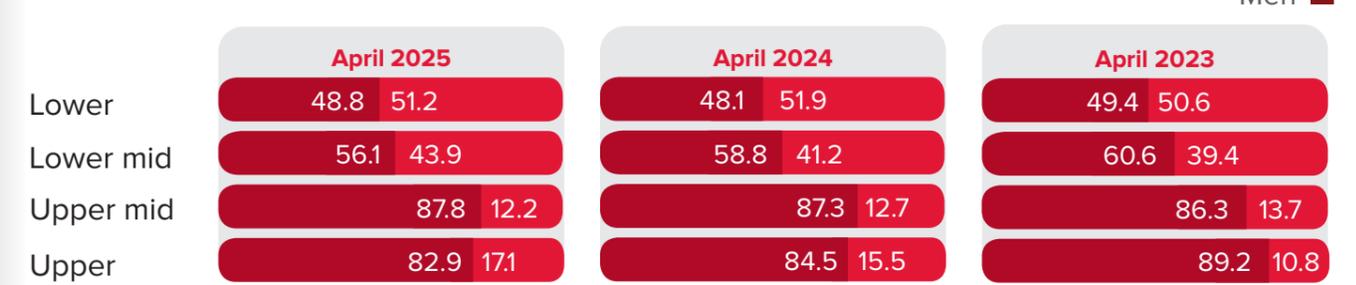
Gender pay information

	April 2025	April 2024	April 2023
GENDER PAY GAP			
Mean	11.1%	9.3%	14.2%
Median	17.0%	16.8%	16.3%
BONUS PAY GAP			
Mean	69.1%	74.9%	81.6%
Median	-66.7%	0%	45.3%
EMPLOYEES RECEIVING A BONUS			
Male	7.1%	9.1%	6.7%
Female	9.7%	10.9%	14.3%

Mean and median pay gaps



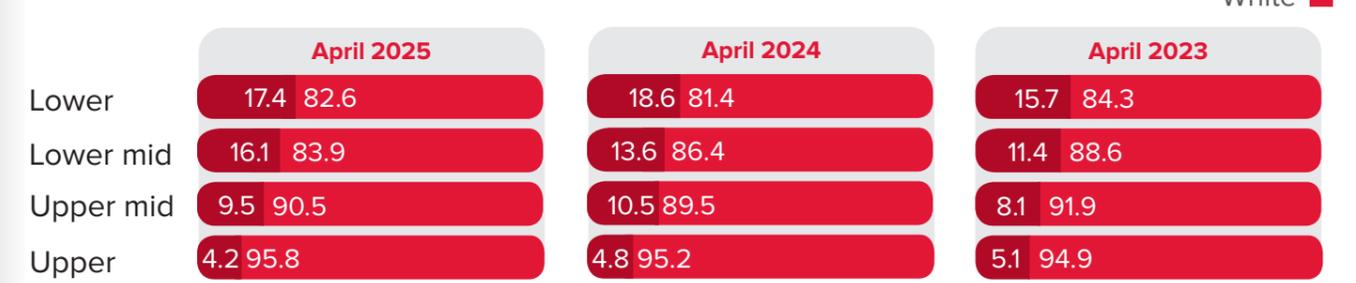
Proportion of men and women in each pay quartile (%)



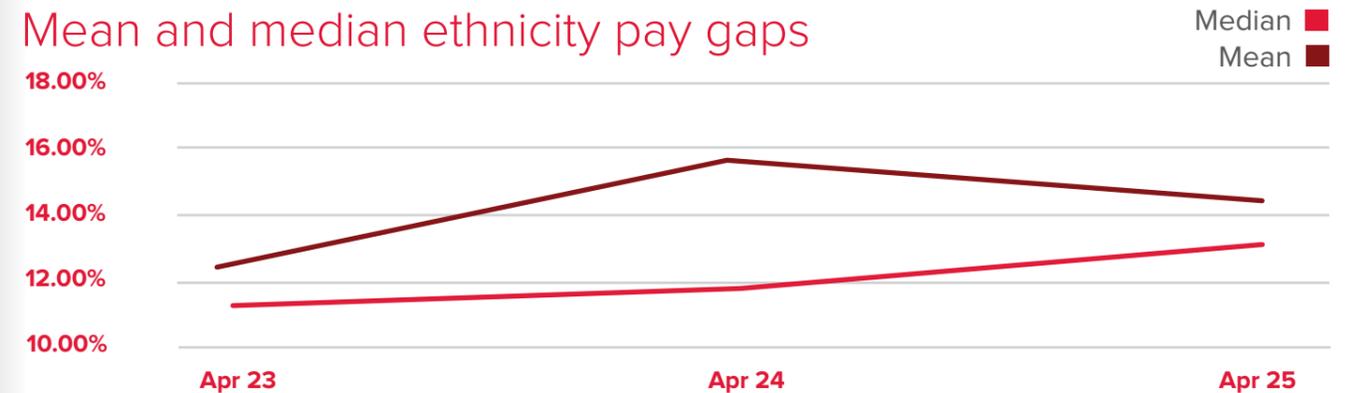
Ethnicity pay information

	April 2025	April 2024	April 2023
ETHNICITY PAY GAP			
Mean	14.8%	15.7%	12.7%
Median	13.3%	11.8%	11.4%
BONUS PAY GAP			
Mean	69.2%	76.9%	87.0%
Median	40.0%	0%	23.0%
EMPLOYEES RECEIVING A BONUS			
BAOE	7.3%	5.9%	8.9%
White	8.4%	10.3%	9.4%

Proportion of men and women in each pay quartile (%)



Mean and median ethnicity pay gaps



PAY GAP AND EQUAL PAY

The gender or ethnicity pay gap and equal pay are often confused, but the two are quite different. The gender pay gap is the difference between the average pay of men compared to the average pay of women within an organisation, across all levels of the business. What this means in practice is that if women do more of the less well-paid jobs, the gender pay gap is usually bigger.

Equal pay, on the other hand, is the legal requirement for men and women to be paid the same for performing the same work or work of equal value.

Our use of spot rates for each role means that we can be confident that our pay gap is driven by the structure of our workforce and the concentration of males in more senior positions, rather than our pay structure, which is gender and ethnicity neutral by design.

EVENING OUT THE GENDER AND ETHNICITY BALANCE

Diversity inclusion and wellbeing is a foundation stone for our values, which continue to be a fundamental part of our day-to-day work and key to our continued business success. We strive to reduce the risk of pay inequality in the organisation through our Workforce Group. This group consists of senior management from each area of the business and continues to review gender and ethnicity pay data to implement the actions agreed, as follows.

- ▶ Our branch People Plans and the Pay and Bonus policy provide clarity on managers' responsibilities for pay control and governance around new starters and promotions.
 - ▶ We have established spot rates for roles across the group to ensure pay fairness for both new starters and employees in the same role. Any deviation from spot rates requires line managers to provide a clear justification. Detailed information on pay-rates is produced for each branch, covering both new starters and established employees. Results are trended over time and benchmarked against external data.
 - ▶ We continue to collate the skills required for each role covering both entry-level and experienced employees. These skill-sets
- are aligned to the spot-rates and used in determining both starting salaries and any requests for pay increases.
- ▶ On-going investigation of job roles continues, identifying any reasons for pay gaps and ensuring that any difference is not the result of gender or ethnicity bias.
 - ▶ Our branch People Plans include an actions on local pay equality. We have an established a process to review employees' terms and conditions to determine total reward packages and identify any pay inequality.

RESPONSIBLE BUSINESS

At Mears, our well established Employee Network Groups play a vital role in driving inclusion forward. They provide safe spaces, amplify voices, and create opportunities for colleagues to connect and learn from one another.

- ▶ Our Women in Leadership Network Develops, retains, and champions women in leadership positions, supporting both current and aspiring leaders. The Women in Leadership Network Group also promotes allyship, encouraging men and colleagues across the business to play an active role in advancing gender equality.
- ▶ Our Women's Operative Support Network welcomes individuals from all backgrounds, supporting women in their careers whether just starting out or looking to progress.
- ▶ Our REACH Network raises awareness of key issues such as Race Equality Week, South Asian Heritage Month, and the International Day for the Elimination of Racial Discrimination. It provides a safe and respectful place where every voice is heard.

ACTIONS TO ADDRESS UNDER-REPRESENTATION

The company has undertaken actions which will have a beneficial impact on gender and ethnicity under-representation, including:

- ▶ The recruitment policy and procedures provide guidance and support to hiring managers, including detailed briefings on each role, appropriate media and tailored advertising. The intention is to identify and attract suitable candidates from the widest pool, both internally and externally and to ensure that applications are representative of the local community. These actions are supported by on-going initiatives such as Women in Construction and Men into Care.
- ▶ Local recruitment leads support the hiring process with detailed information on branch composition, the local community and potential hiring sources. Hiring managers are encouraged to take a proactive approach to candidates, making reasonable adjustments throughout the recruitment process.
- ▶ The recruitment policy and procedures include guidance on the diversity of interview panels and hiring managers are responsible for ensuring that the panel is sufficiently diverse to ensure that a fair assessment is made. Interview panel diversity is monitored and reported to the Workforce Group.
- ▶ Regular contact with candidates and new hires from the Talent Acquisition team complements the role of the hiring manager during recruitment and the probationary period. Branches with high early retention issues will receive additional support to help the Group understand the effectiveness of our attraction strategy. Reasons for dropouts within the process and non-compliance with agreed policies are addressed to help build employee engagement and address any issues that may arise.
- ▶ Retention and exit interviews are conducted with employees to identify any underlying issues that may adversely impact representation at a local level.
- ▶ All hiring managers receive Fairness and Inclusion training to ensure that the recruitment and selection processes are undertaken equitably and in accordance with the Group's policies.
- ▶ All senior and line managers actively promote the Mears Red Thread behaviours to raise awareness and reinforce the Group's commitment to addressing pay gaps and under-representation. Red Thread is our common set of values which defines

our culture, and our managers are expected to be role models with regard to these behaviours.

- ▶ Work continues to enhance the Group's Employee Value Proposition which enables potential candidates to identify Mears as an employer of choice. This also enables the Group to align its wider terms and conditions with the expectations of current and potential employees.
- ▶ Enhanced succession planning through the appraisal process and recorded in branch People Plans ensures that the Group continues to develop its own employees and ensure a clear talent pipeline.
- ▶ Our branch People Plans actively address agreed targets for a balanced workforce composition and any workplace issues to enhance attraction and retention, particularly in relation to gender and ethnicity. Monitoring and information provision on all protected characteristics

TAKING ACTION

Over many years, we have worked hard to reduce the risk of pay inequality in our organisation, however the gap in both our mean pay and mean bonus shows there is more work to be done. While we believe that we don't have an equal pay issue, we will continue to undertake activity to further reduce our pay gap in order to ensure fairness and consistency for all.

OUR COMMITMENT

We are building a diverse and inclusive culture that reflects the communities which we serve; one that attracts and retains the best talent and enables our colleagues to thrive. We will work to continue to increase the proportion of both female and Black, Asian and Other Ethnicity employees across our business at all levels.

Specific actions to support our commitments include:

- ▶ Enhanced diversity and inclusion information about all our colleagues.
- ▶ Encouraging applications from under-represented groups, such as women in trades, men in Care and more diversity amongst apprentices.
- ▶ Maintain accreditations in social mobility, diversity and retain our Best Companies award.

and social mobility across the employee life cycle will be included in People Plans.

- ▶ Formal management development programmes for current and potential managers at all levels of the company ensure that all employees with the interest and aptitude to progress in management are supported.
- ▶ These initiatives are complemented by defined career paths for all roles within the business. The career paths can be used by both prospective and current employees to identify the opportunities to progress or develop and the support available from the company to facilitate their careers.
- ▶ The Group has taken steps to set up a series of groups to represent employees from a range of backgrounds. The groups will provide both support to individuals and also a mechanism to communicate key messages to the wider Group.

USEFUL NOTES

Gender and ethnicity pay are part of our broader diversity agenda and our aim is to become industry leaders in this area. We recently refreshed our diversity strategy, (originally published 2017) and this can be viewed on our website: www.mearsgroup.co.uk.

MEAN AND MEDIAN EXPLANATION

The mean difference is the difference in average hourly pay; adding all pay rates together and dividing by the total number of people.

The median difference is the difference in hourly pay between the middle paid (the person at the mid-point if you were to line all employees up from low to high pay) male employee and middle paid female employee.

The median stops a small number of very high or low rates of pay skewing the results.

GENDER PAY GAP LEGISLATION

Gender pay gap legislation requires employers in the United Kingdom with 250 employees or more to calculate and publish on an annual basis gender pay gap data. This must be based on figures taken on the 5th of April each year. The specific information we are required to publish needs to include:

- ▶ Mean and median gender pay gap (based on an hourly rate of pay on 5 April 2025). (the includes bonus pay received in the 12 months leading up to 5 April 2025).
- ▶ Proportion of men and women in each quartile pay band (looking at the proportion in 4 pay bands when we divide our workforce into four equal parts).
- ▶ Proportion of men and women receiving a bonus payment.
- ▶ Mean and median bonus gender pay gap
- ▶ The gender pay gap is expressed as a percentage of male earnings, meaning it is showing women earn x% less than men.

DEFINING THE ETHNICITY PAY GAP

There are no legal requirements to publish an ethnicity pay gap, we do this voluntarily.

The ethnicity pay gap shows the difference between the average pay for all Mears employees who have told us they are of an ethnically diverse background and all employees who have told us they are of a white background. Our ethnically diverse population includes all employees who have shared that they are within the following ethnic groups: Black, Asian, Mixed/Multiple Ethnicity and Other. The white population includes all employees who have shared that they are from a White ethnic group.

Although there is no formal guidance on calculation method, our ethnicity pay gaps have been calculated using the government regulations for calculating gender pay gaps. The data outlined in this report reflects figures taken on the 5 April 2025.

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