













## **ETHNICITY PAY GAP** | As at 5<sup>th</sup> April 2020

We have made the decision to publish our ethnicity pay gap results for the first time, on a voluntary basis, because we want to give transparency and light to this topic.

As a **signatory to the BITC Race at Work Charter**, we are committed to gathering ethnicity data to help monitor and make progress on diversity and inclusion.

We currently have gaps in our ethnicity data, which exist for two primary reasons. In some business units there was less diversity monitoring in the past and employees were not given the chance to make a declaration. This has now changed, and we are campaigning amongst longer-serving employees to take the opportunity to make an ethnicity declaration. The second reason is that some employees choose 'prefer not to say' when submitting their diversity data.

In the absence of prescribed guidelines from government on how to report the ethnicity pay gap, for the purpose of this exercise we are reporting between employees who declared their ethnicity to be 'white' versus all other ethnicity declarations. We have done this because, given pay gap results report on averages, the data is more meaningful if there is a larger data set.

We have used the term 'ethnic minority' in this report to represent all non-white ethnic groups, recognising that there are many specific ethnic groups, each with their own challenges and priorities. We wish to make it clear that when we gather diversity data, we ask for ethnicity declarations based on a wide range of ethnic minority descriptors.

We have excluded from our pay gap comparisons any employee who has not shared their ethnicity, but we have highlighted the lack of ethnicity data in the pay quartiles. However, it should be noted that where there is data excluded from the pay gap calculation this is likely to have a distorting effect on the pay gap results. This is something we hope to improve as we reduce the number of employees for whom we do not currently hold ethnicity data.

The key reason for the ethnicity pay gaps is there being a smaller proportion of ethnic minority colleagues in senior positions in the various business units. It is also noticeable that the ethnicity bonus gaps are significantly higher than the pay gaps. This is because employees at more senior levels have a larger proportion of their pay as variable bonus and most of these are white.

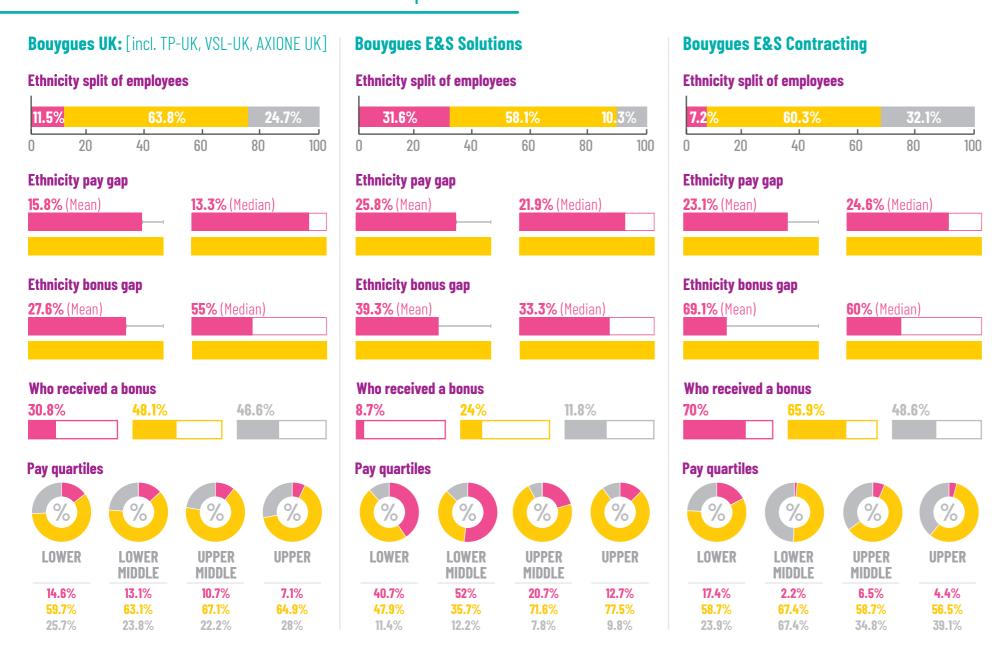
We have **launched a 2025 Ethnicity Balance Plan** which seeks to redress these issues by achieving a larger representation of colleagues from ethnic minorities in management and leadership positions. The plan focuses on various actions including mentoring for ethnic minority employees, balanced intakes in our early career and emerging talent programmes, as well as targeted development opportunities.



The Prince's Responsible Business Network

Race at Work Charter signatory

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**KEY:** ■ Ethnic minority ■ White ■ No Data