



Ethnicity Pay
Gap report
2023

Introduction

To achieve true pay equality across A2Dominion, we need to understand where the disparities lie across all groups. That is why reporting on our ethnicity pay gap is a big step forward to help us achieve our goal of making this a truly egalitarian workplace.

We are not new to pay gap reporting, as we have been collating and publishing data on our gender pay gap since 2017. However, this is just one piece of the puzzle. Adding ethnicity reporting will start to give us a more rounded picture of where we are as a business and what we need to do to improve.

One thing that is hindering our ability to report on the full picture at the moment is the high proportion of our people who have not yet disclosed their ethnicity. To rectify this, we will continue to speak to colleagues in the coming months and drive home the importance of disclosing this information. This will ensure our figures truly reflect our workforce profile.

I have only been at A2Dominion for a relatively short time, but I have been impressed by our people's determination to come together and tackle any challenge that's presented to us. One of those challenges is creating a culture where individuality and diversity can thrive. To achieve this, we will continue to work with our Equality, Diversity and Inclusion (ED&I) staff network to ensure they can influence and help shape our strategy and approach.

From speaking to our senior leadership team, our Equality & Diversity Steering Board, and our HR team, I have great faith in our ability to put our plans into action and bring us closer to the equality we all desire.



Ian Wardle
Group Chief Executive

NOTE:

The classification of our diverse ethnic group used in our calculation included: Arab, Asian or Asian British (Bangladeshi), Asian or Asian British (Indian), Asian or Asian British (Pakistani), Black or Black British (African), Black or Black British (Caribbean), Chinese, Gypsy/ Romany/ Irish Traveller, Mixed (White & Asian), Mixed (White & Black African), Mixed (White & Black Caribbean), Other Asian background, Other Black background, Other Ethnic background, Other Mixed background, Other White background and White (Irish) alongside those who have not disclosed/preferred not to say.

Background

We are for the first time publishing figures that show our ethnicity pay gap. When we refer to our ethnicity pay gap, we mean the difference in average pay when we compare our white British colleagues and our colleagues from diverse ethnic groups (which also includes white non-British colleagues) regardless of the roles they carry out.

Although it is not currently a legal requirement, providing this data underlines our ongoing commitment to improving working conditions for all diverse ethnic groups in A2Dominion. In this report we will give details of our plans to address our ethnicity pay gap in the next 12 months and beyond.

We assessed the pay gap between employees who declared their ethnicity to be white British compared to all other ethnic minorities, referred to as diverse ethnic groups. We excluded any employee who had not disclosed this information at the point we collected the data.

In this report we will give data on:

The mean ethnicity pay gap

The median ethnicity pay gap

The mean ethnicity pay gap for bonus pay

The median ethnicity pay gap for bonus pay

Workforce by ethnic group who received bonus pay

Quartile pay band figures by ethnic group

All figures are accurate as of 25 April 2023.

Our people

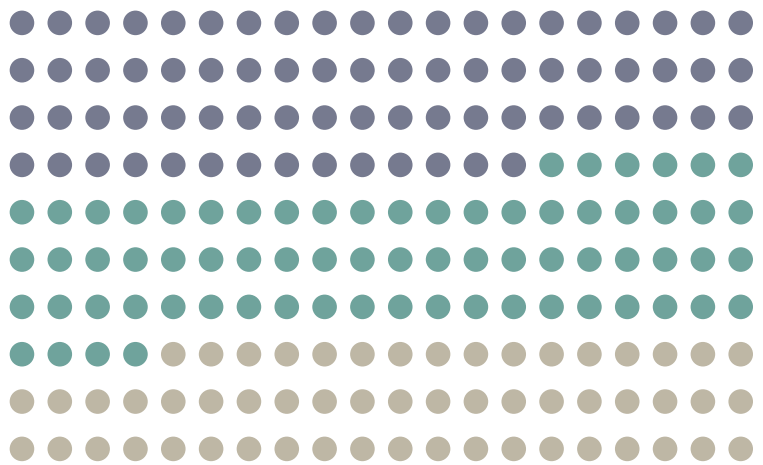
The headcount we are reporting on in this report is 1,072, as we can only include employees who are on full pay and are actively working on this date.

This figure excludes any employees on leave, such as maternity leave or sickness absence.

Breakdown by ethnicity

White British is the largest ethnic group at A2Dominion, accounting for 37% of the workforce who have disclosed their ethnicity. Again, of those who have disclosed, nearly 35% are from a diverse ethnic group.

Currently, just over 28% of our people have **not disclosed** their ethnicity data. Of this group, 22% are employees, 14% are at a manager level and 2% are at a senior manager level.



37%

White British

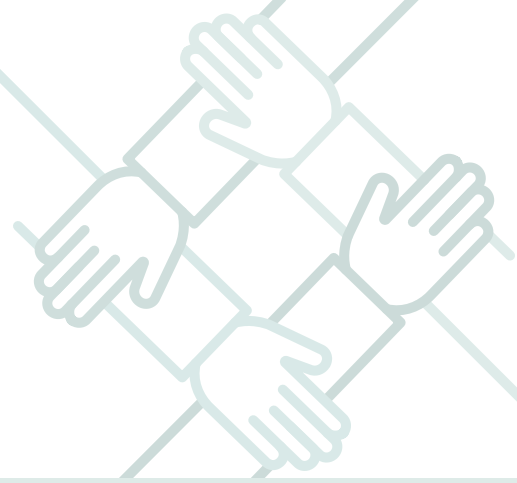
35%

Diverse ethnic group

28%

Not disclosed

Our ethnicity pay gap



Mean ethnicity pay gap

Our mean ethnicity pay gap is **16.99%** when we compare colleagues from diverse ethnic groups with white British colleagues.

This means that the average pay of all employees who come from a diverse ethnic group is lower than those who identify as white British.

The mean pay gap for colleagues who have not disclosed their ethnicity is **27.04%** when compared with white British colleagues.



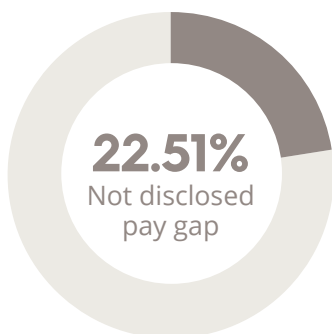
The **mean pay gap** is calculated by deducting the average hourly wage of colleagues from diverse ethnic groups from the average hourly wage of white British colleagues. The difference between the two is expressed as a percentage. This figure places the same value on every hourly salary in our calculation and this gives a good overall indication of the ethnicity pay gap.



Median ethnicity pay gap

Our median ethnicity pay gap is **8.81%** when we compare colleagues from a diverse ethnic group with white British colleagues.

The median pay gap for colleagues who have not disclosed their ethnicity is **22.51%** when compared with white British colleagues.



The **median pay gap** is the difference between the midpoints in the pay range of our colleagues from diverse ethnic groups and white British colleagues. It takes all salaries in the sample, lines them up in order from lowest to highest, and picks the middle salary. This figure helps to indicate the 'typical' situation without distortions from very high or low hourly pay (or bonuses).

Pay quartiles

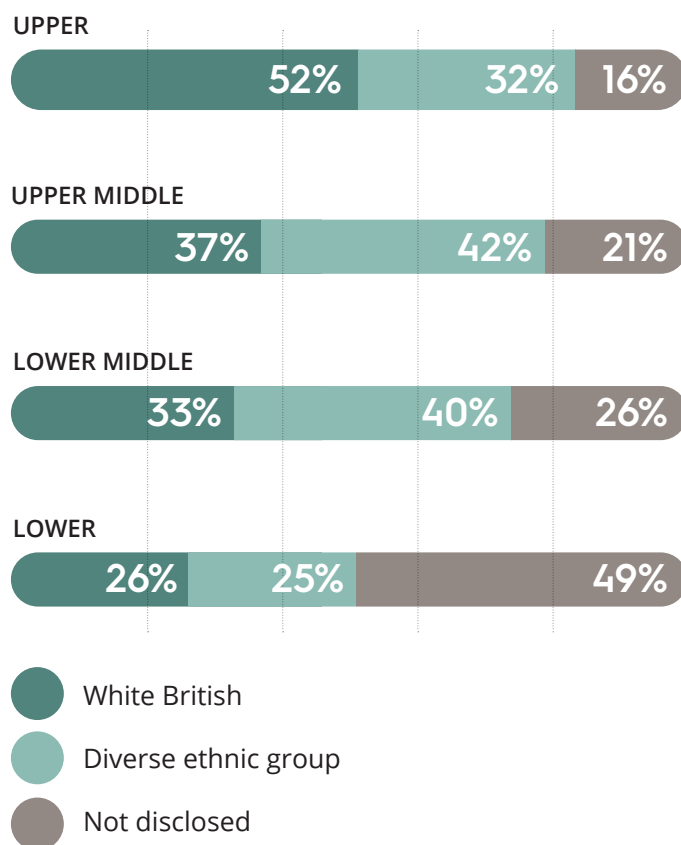


We have a higher proportion of our white British colleagues (52%) in the upper quartile pay range than people from a diverse ethnic group (32%), which is the biggest factor driving our pay gap.

The majority of our diverse ethnic group colleagues fall in either the upper-middle quartile (42%) or the lower-middle quartile (40%). In the lower quartile, the numbers are very similar between white British colleagues (26%) and those from a diverse ethnic group (25%).

Of colleagues who have not disclosed their ethnicity, around half (49%) are showing in the lower quartile, while only 16% are in the upper quartile.

Ordinary pay quartiles





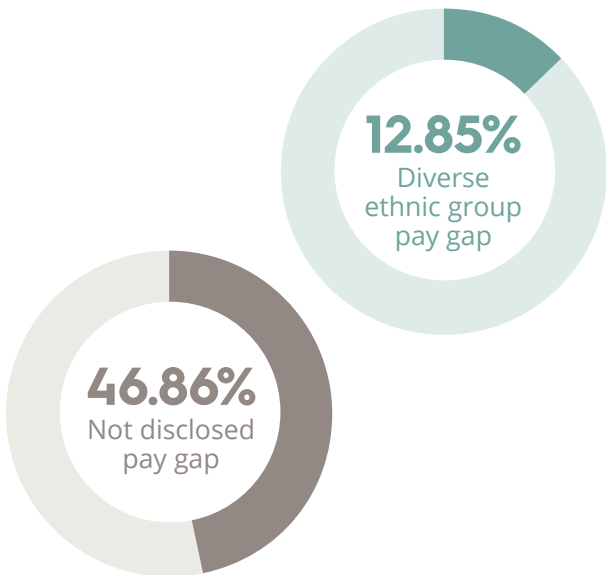
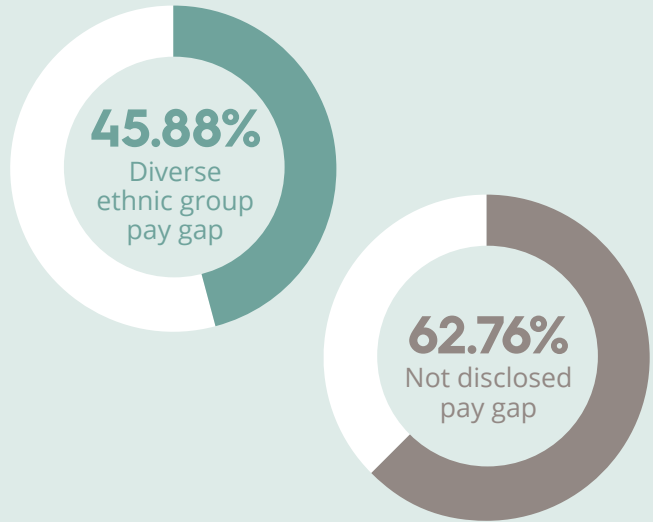
Ethnicity bonus gap

Mean ethnicity bonus pay gap

Our mean ethnicity bonus pay gap is **45.88%** when we compare colleagues from a diverse ethnic group with white British colleagues.

This means the number of people from diverse ethnic groups in receipt of a bonus in the past year is lower than those who identify as white British.

The mean ethnicity bonus pay gap for colleagues who have not disclosed their ethnicity is **62.76%** when compared with white British colleagues.



Median ethnicity bonus pay gap

The median ethnicity bonus pay gap is **12.85%** when we compare colleagues from a diverse ethnic group with white British colleagues.

The median ethnicity pay gap for colleagues who have not disclosed their ethnicity is **46.86%** when compared with white British colleagues.

Why do we have a pay gap?



The main reason we have a pay gap is the under-representation of people from diverse ethnic groups in our top pay quartile.

While we have a good balance in the higher-middle pay quartile, it's clear we need to do more to increase the number of people from diverse ethnic groups who progress to senior leadership positions.

This has a knock-on effect on our bonus pay gap, as our pay structure means the people in those senior leadership positions are much more likely to receive a bonus than other colleagues.

Closing our ethnicity pay gap

One of our key ED&I ambitions is to 'monitor and narrow key gaps to achieve and maintain equal pay'. We know that creating a workplace where everyone is confident they are being treated equally, whether that be through equal pay or development opportunities, is imperative for future success.

Increasing inclusively and equality is not only the right thing to do for our colleagues, it also makes us stronger and allows us to truly represent our diverse customer base.

For us to achieve this, we first need to gain a better understanding of our data and analyse the reasons behind our pay gap. This will determine the detailed actions we take.

In the meantime, we have:



Appointed an Early Talent manager to: attract and support our younger generations, creating a more targeted apprenticeship programme to enable greater social mobility and to address our diversity gaps; grow our talent from diverse ethnic groups from entry level roles upwards.



Launched a suite of inclusive resourcing training modules available for hiring managers and aspiring managers, this will help to equip them with best practice techniques on how to recruit inclusively.



Put in place an internal mentoring scheme, particularly encouraging senior leaders from diverse ethnic groups to mentor junior colleagues from similar backgrounds.

We will:



Work to attract and develop a more diverse and representative workforce, focusing particularly on increasing representation among diverse ethnic groups.



Consult our ED&I employee network on initiatives, including our pilot career development programme to provide more opportunities for junior employees in diverse ethnic groups, preparing them for managerial roles in the future.



Additionally, we will continue to monitor perception of our commitment to ED&I via our internal colleague scores and other feedback mechanisms (e.g. our ED&I network and our internal mentors).

Read more on our **Equality, Diversity & Inclusion plan**
and read our **other ED&I reports** by visiting
a2dominiongroup.co.uk



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