# UK Gender and Ethnicity Pay Gap Report Reported at 5th April 2022



#### **ABOUT THIS REPORT**

It is a legal requirement for UK employers with more than 250 employees to publish their Gender Pay Gap on the government website. This report shows data from our UK employees as of 5th April 22. We are reporting on our Ethnicity Pay Gap for the second time. We consider this to be important in addressing any ethnic disparities and renewing our ongoing commitment to be transparent on equality and inclusion.



#### Message from our CEO: Paramjit Uppal

AND continues to lead the charge on its commitment to putting diverse people at the heart of the business.

Whilst the economic challenges of late 2022 and early 2023 have impacted our ability to accelerate our plans, we remain committed to our quest for inclusion and equity at a structural level. This includes identifying and tackling the institutional challenges to achieving gender and ethnicity pay equality as our organisation grows.

We have made good progress in many aspects relative to the broader tech sector. However, we have much further to go particularly when it comes to representation at senior levels of the

company. We must be unflinching in our ambitions for equity as we move towards the future, as only by being bold will we continue to be an employer of choice and attract, grow and retain the best of the best tech talent in the market.

Paramjit Uppal CEO, Founder AND Foodie



#### Message from our SEI Committee Chair: Ian Mcdonald

During these challenging financial times having a diverse workforce has never been more important. This way, AND can get different perspectives on the problems that it's facing, and come up with more creative solutions.

It has been encouraging to also see that a Diversity and Inclusion manager has been hired and is working with key stakeholders within AND. The company has also adopted the idea of structural inclusion, which means that AND is thinking about how to be inclusive right from the beginning, instead of trying to add it on later.

There is still a significant challenge to see that senior leadership is more diverse, and the continuing progression of newer staff members is important to achieve this.

Ian Macdonald Chair of Social, Ethics & Inclusion Committee





### Our journey to date

At AND, we prioritise attracting, growing and retaining exceptional talent from all backgrounds. To achieve this we are committed to creating a structurally inclusive environment for our ANDis to thrive. AND has experienced significant growth over the previous year. Our headcount has grown circa 65% – from 768 ANDis in the previous report (2021) to 1270 ANDis as at 5th April 2022. Diversity and inclusion is thus prioritised in our sourcing of talent and in the way we progress ANDis internally.

We are proud to exceed the tech sector average in our representation of women (34.7% vs 26.7%) and in ethnic minority representation (22.5% vs 15%). And our efforts have further increased female representation (30.7% last year).

However, gender and ethnicity pay gaps are an issue, driven in part by the diversity of our senior leadership and specific roles in the organisation. This is evident in both our gender and ethnicity pay quartile analysis <u>(pg 9 and 11)</u>.

### Over the past year we made progress to becoming a truly diverse and structurally inclusive employer

Our work and key achievements include:

- **Diversity leadership** Appointed a full time Inclusion Lead to drive our strategy for Diversity and Structural Inclusion across the whole of AND, and appointed leadership sponsors for each ANDi community
- **Diversity data** Improved diversity declaration through targeted comms (e.g. 30-61.5% ethnicity completion) and working to improve data capture quality, such as adding caregiving and changing LGBTQ+ to sexual orientation (gender is already captured)
- Inclusive leadership A New Normal helped us facilitate a learning series for all leaders at the top of our organisation, taking measurable action in shifting awareness, behaviours and impact by creating an inclusive work environment for their teams
- **Process redesign** Developed reasonable adjustments for individuals in the promotion process, identified sourcing platforms to access diverse talent, developed more inclusive culture interviews, mobilised 'inclusion mentoring' amongst a number of other activities
- **Policy creation** Developed policies to protect trans and non-binary rights, and to provide better support for miscarriage and baby loss
- Inclusion resources Launched AND's 'Structural inclusion' site, collated and published a wealth of resources for teams and line managers to create an inclusive work experience for all

### Pay gap reporting: introduction

### Gender and Ethnicity pay gap reporting is *different* from Equal Pay

Under the **Equal Pay Act** it has been illegal to pay men and women different amounts for doing the same work (unless there is a 'genuine material factor' as to why) since 1970. This was reinforced in the 2010 Equality Act.

AND fully follows this legislation.

The **gender pay gap**, however, is a measure of the difference between men's and women's average earnings across an organisation.

Similarly, the **ethnicity pay gap** is a measure of the difference between the average earnings of different ethnic groups across an organisation.



### Our diverse ANDis as at 5th April 2022



### Our diverse ANDis as at 5th April 2022



### **GENDER: FY22 demographics by pay quartile**

Females Males

Proportion of male and females in each quartile pay band as at 5th April 2022



The growth story at AND has created opportunity to address our gender balance through our hiring programme. It has been important for us to review the gender distribution in light of our pay quartiles since gender representation across senior roles remains of great interest to our organisation.

#### We are proud to say that we have increased the overall gender distribution in our workforce this year. When reviewing the pay quartiles holistically, there has been an increase in females across the organisation by 3.9% (FY22: 34.6%, FY21: 30.7%).

Furthermore, the positive change is fuelled by an increase in female representation across 3 of our 4 pay quartiles. This includes:

- Quartile 1 Lower (FY21: 39.1%)
- Quartile 3 Upper Middle (FY21: 25.5%)
- Quartile 4 Upper (FY21: 20.8%)



### **GENDER: FY22 pay and bonus gap**

#### 16.5% 19.2% FY21: 13.1% FY21: 18.5% 35 £35.2 £32.8 30 £29.4 25 £26.5 20 15 10 5 0 Mean Hourly Pav Median Hourly Pav

**Gender Pay Gap Calculation** 

**Gender Bonus Gap Calculation** 



## Proportion of males and females receiving a bonus payment

Females Males



For 2022, both the mean and median gender pay gap have *increased* on the previous year (13.1% to 16.5%; 18.5% to 19.2% respectively).

Whilst we have implemented measures to address the gender balance of the organisation through growth, the pay gap is only slowly impacted by these hires, which have typically been in our lower hourly pay quartile. Of the higher paid roles in the upper quartile, only 22.1% of roles are held by female ANDis. A large proportion of the upper middle quartile is represented by our Product Developer roles, which are in short supply in the sector – and disproportionately for women too. In relation to bonuses, 62.4% of our women received a bonus in comparison to 61.7% of all men. A gap remains due to the amount of women receiving a bonus in higher paid roles. Addressing our representation in senior roles will help us to address our gap.





#### These numbers reflect 2022's ethnicity declaration rate of 63%. This

represents a much higher rate than last year, reflecting the efforts taken to improve declaration data quality, which is essential to evidencing structural inequities and informing preventative and remedial action. (*Data based upon 794 of 1270 Andis that have declared their ethnicity*)

Nevertheless, there is a clear pattern presented here of increasing 'whiteness' in the higher quartiles. There is a particular drop off of Black/African ANDis beyond the first quartile. We are working on it but the lag will mean next year's more complete report is unlikely to be drastically different



### ETHNICITY: FY22 pay and bonus gap





# Ethnicity Bonus Gap



The primary driver for AND's ethnicity pay gap is the limited representation of ethnic minorities in senior positions, which in turn influences the pay gap.

The most impacted are Black/ Other/Mixed ethnic groups, who are mostly underrepresented in the upper/ upper middle quartiles, with the majority represented in the lower quartile.

Mean & Median Bonus

Another consequence of lack of senior representation is in bonuses. The mean bonus gap for the White ethnicity group is driven in a large part by payment of bonuses to our Pioneers (senior leadership).





### What steps are we taking?



#### Renew focus on data and insight

- Set clear diversity objectives for our business
- Improve data declaration for all dimensions
- Use data analysis and insights to inform key priorities
- Regularly monitor key metrics, e.g. pay gaps, recruitment, progression and retention

#### Diversify talent pipeline

- Implement a sourcing strategy to reach diverse candidates across all levels (esp. Senior levels)
- Reinvigorate AND's people value proposition to attract a broader range of people
- Establish an increasingly inclusive recruitment experience to align with different needs

#### **Remove barriers in current processes**

- Transform progression and promotion to enable all ANDis to showcase their abilities
- Review family support policies to provide better support and ensure greater work equity
- Develop and scale up reasonable adjustments, to better accommodate ANDi needs.

#### Embed inclusion into our Leadership Framework

- Continue inclusion upskilling and comms
- Set clear inclusion objectives AND metrics against which leaders are measured and accountable

### **Success Stories:**

We have a strong track record of attracting, developing and supporting the careers of many different ANDis from a variety of backgrounds. These are a few recent stories.

#### **Diversity is Essential**

I recognise that diversity is not just a nice-to-have, but an essential part of building a strong and innovative teams.Coming from society where discrimination and inequality continue to be issues faced by marginalised communities, such as indigenous peoples, Afro-Argentines, and people with disabilities, I joined AND looking for a company committed to creating a more diverse and inclusive workplace for everyone to thrive.

I was impressed with the company's commitment to transparency and equity in the workplace. Instead of hiding behind vague statistics or making excuses, we openly shared our numbers and made a plan to close the gap. I think success is often a result

of a combination of factors, including hard work, talent, and luck however I feel fortunate to be supported by passionate ANDis through our Coaching and Mentoring other programme.

#### Romina Ollaze Product Analyst AND Outdoor Enthusiast



#### **People First Recruitment**

I am probably quite a unique case in the context of how careers are started, at AND and in general. The reason for that is because my first job was at AND, but also as an apprentice in business administration.

Whilst I cannot say that the opportunity itself is unique, as this apprenticeship was on offer with lots of different companies, I think you'll be hard pressed to find a company with a better approach to recruiting the role I applied for. I can think of many examples why this is the case, from the fair pay that you don't normally associate with apprenticeships, to the unique recruitment process that I went through.

AND puts an emphasis on making people a priority, as well as making your journey as enjoyable as possible. Even things like

club days, working from home and having a flat structure, are all little things that help you to bring your whole self to work, and make AND a company I am proud to work for.

#### Theo Thomas-Afonso

Business Administration Apprentice AND Football Mad



#### **Leadership Opportunities**

I chose to work at AND over 5 years ago not only because of the growth opportunities it offered for my career aspirations but also because of the diverse community of talent. As soon as I joined I felt like I really belonged to AND. During my time here I have worked on some amazing and challenging projects in lead roles; working in close collaboration with our ANDis and client teams to build great solutions or even embed better ways of working.

At AND I have always felt it is a safe space for me to really explore my skill set and push myself into more challenging roles. I have always received a lot of support from Squad Lead and peers when it comes to pushing myself out of my comfort zone. I am truly grateful for all the incredible opportunities at AND that have helped me grow.

Nirupama Sharma Product Analyst AND Dessert Lover







### So how is the gender ethnicity gap measured?

Companies report on the pay gap across six key areas:

\* Based on hourly pay



The **mean** is the overall average of all employees' salaries/bonuses. It can be skewed by any extremely high or low data points.

#### Companies report on the pay gap across six key areas:



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Companies report on the pay gap across six key areas:



The **number** and **proportion** of males and females or ANDis from the different ethnic groups in each pay quartile.



### What's included in these calculations?



\*Deductions include pensions, childcare vouchers, Ride2Work scheme, charitable giving, etc.



#### What we ask for and why

We ask our UK ANDis to declare the diversity data they feel comfortable sharing – notably gender identity, ethnicity, neurodiversity and disability. However it is important to note they are not required to provide this information. As such, we also offer a 'prefer not to say' and/or 'other' option for each dimension, where appropriate.

Collecting data on age is a legal requirement for HMRC purposes. The data we capture on gender identity, ethnicity (and neurodiversity and disability) is used to drive Diversity and inclusion across our organisation. Representation, pay and bonus gaps fall under this remit also. It is also worth noting, AND Digital recognises a broad range of gender identities however for official reporting purposes we are required to calculate, report and publish data pertaining to men and women per government guidelines.

We are always working to improve our data collection efforts in order to derive more meaningful insights and to better support our diverse range of ANDis. Specifically, to understand the split of our workforce across the organisation, to develop the right accommodations, and to identify and act on structural inequities.

#### Our governance approach

ANDis are not required to provide this data if they do not wish to. The charts in this pack relate *only* to those ANDis who chose to provide such information.

The data is aggregated and anonymised and not used to gather information on any individual. Any information that could identify an individual is removed. No diversity data is shared with any third parties.

As the insights in this document are built by data belonging to ANDis, they have a right to ask for their personal data to be removed at any time.

