Gender and Ethnicity 2022 Pay Gap Report



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Introduction

At Sanctuary our goal is to be a diverse, inclusive organisation where our people thrive and respond to our customers with fairness and empathy.

As outlined in our equality, diversity and inclusion strategy 'Inclusion for all', we are committed to improving our equality data insight to help us make meaningful progress.

Though there is no requirement to publish our ethnicity pay gap, we are choosing to include this along with our gender pay gap.

By gathering, analysing and sharing this additional range of data we are both improving our understanding of our own areas for development and, we hope, encouraging others to do likewise.

We know we have much more to do to evolve our data insight to help us become a more equal, diverse and inclusive organisation but believe this is a positive next step in the right direction.

"Our goal is to be a **diverse, inclusive** organisation where our people **thrive** and **respond** to our **customers** with **fairness** and **empathy**."

Understanding our pay reporting

All companies with a headcount of 250 or more employees must report annually how they pay men and women. The decision to report on how we pay different ethnic groups is entirely voluntary. This report is based on Sanctuary's pay and bonus data as at the snapshot date of 5 April 2022.

Gender pay looks at the difference between average male and female earnings across a group of workers, regardless of the role they are in, expressed as a percentage of male earnings.

Gender pay is different from equal pay. Equal pay looks at ensuring everyone, regardless of gender, is paid the same for the same work. Sanctuary has robust processes in place to make sure that men and women are paid equally for doing equivalent roles. This includes regular reviews of pay levels across the organisation.

Ethnicity pay looks at the difference between average earnings of white and ethnic minority employees. The gap is expressed as a percentage of white employee earnings.

How the data is presented

For gender pay, the data is reported by legal entities. These do not always correspond with the brands or operations that our customers and employees would know. To help understand the statistics, the table on the next page describes who works in each entity. The numbers included are full pay relevant employees.

| Legal entity | Employees | Women | Men |
|---|--|-------|-------|
| Sanctuary Housing Association | 3,039 employees who work for Sanctuary's corporate centre including HR, finance, technology, procurement and communications as well as the employees who work in development, our supported living schemes and who serve our social housing customers | 1,998 | 1,041 |
| Sanctuary Care Limited | 4,981 employees who work in our care homes and supporting services | 4,186 | 795 |
| Sanctuary Care Property (1) Limited | 444 employees who work in our care homes and supporting services | 377 | 67 |
| Sanctuary Home Care Limited | 1,267 employees who provide care in older people's homes and in some of our extra care schemes | 1,043 | 224 |
| Sanctuary Maintenance Contractors Limited | 1,406 employees who work as maintenance operatives, gas engineers, cleaners and facility managers | 214 | 1,192 |

There are five pie charts displayed for each of Sanctuary's legal entities. The first pie chart reflects the gender of total full pay relevant employees and the following four pie charts show the gender at the respective quartiles of pay, so the first quartile includes lowest paid employees and the fourth quartile includes the highest paid employees.

For ethnicity pay, the data is reported for Sanctuary Group as a whole. The total number of employees reported is higher than for our gender pay reporting as it includes people in business entities that are smaller than 250 people, for example our Student business which provides accommodation.

For both gender and ethnicity, mean earnings are the average they are calculated by adding up all hourly earnings and dividing them by the number of employees. Median earnings come from ranking all earnings from lowest to highest and identifying the number in the middle. Statisticians tend to prefer median values to mean ones but we present both here.

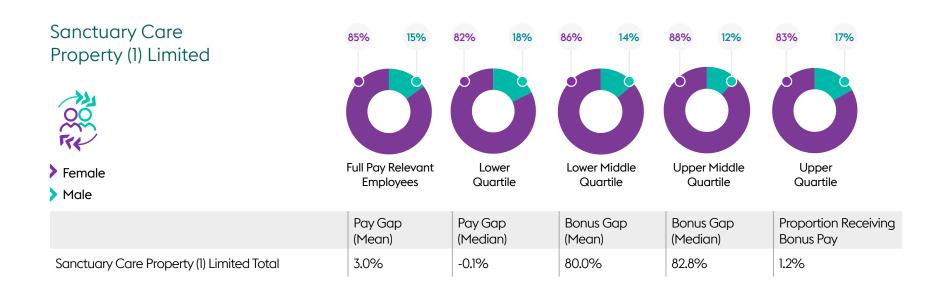
A positive value in the gender pay gap reporting reflects the percentage that men are paid more than women. In ethnicity pay gap reporting, it reflects the percentage that white employees are paid more than ethnic minority employees. A negative value indicates the percentage that women are paid more than men or ethnic minority employees are paid more than white employees. As an example, if a gender pay gap is given as 6.4 per cent, this means that, on average, men earn 6.4 per cent more than women or if a gender pay gap is given as -6.4 per cent, this means that, on average, women earn 6.4 per cent more than men. The higher the number, the larger the gender pay gap.

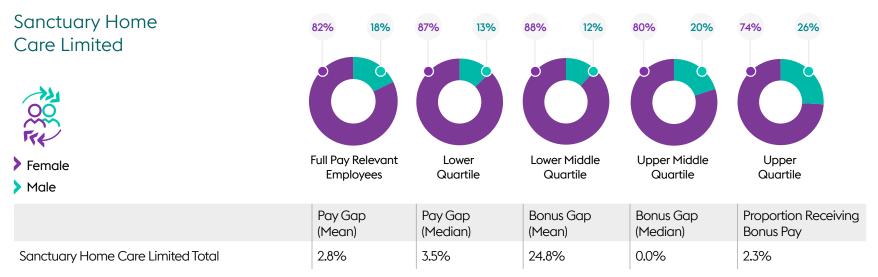
We have not included data for those who have not shared their ethnicity in the mean and median calculations.

Our gender pay gap

| Sanctuary Housing Association | 66% 34% | 72% 28% | 73% 27% | 66% 34% | 53% 47% |
|--|--------------------------------|---------------------|--------------------------|--------------------------|-----------------------------------|
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| FemaleMale | Full Pay Relevant Employees | Lower Quartile | Lower Middle Quartile | Upper Middle Quartile | Upper Quartile |
| | Pay Gap (Mean) | Pay Gap (Median) | Bonus Gap (Mean) | Bonus Gap (Median) | Proportion Receiving Bonus Pay |
| Sanctuary Housing Association Total | 18.0% | 15.8% | -17.1% | 18.0% | 4.9% |

| Sanctuary Care Limited | 84% 16% | 86% 14% | 87% 13% | 85% 15% | 79% 21% |
|---------------------------------------|--------------------------------|---------------------|--------------------------|--------------------------|-----------------------------------|
| | Ö | Ö | Ö | Ö | Ö |
| FemaleMale | Full Pay Relevant Employees | Lower Quartile | Lower Middle Quartile | Upper Middle Quartile | Upper Quartile |
| | Pay Gap (Mean) | Pay Gap (Median) | Bonus Gap (Mean) | Bonus Gap (Median) | Proportion Receiving Bonus Pay |
| Sanctuary Care Limited Total | 6.5% | 3.5% | 4.4% | 8.2% | 18.6% |





| Sanctuary Maintenance Contractors Limited | 15% 85% | 30% 70% | 19% 81% | 3% 97% | 8% 92% |
|---|-------------------|----------|--------------|--------------|----------------------|
| FemaleMale | Full Pay Relevant | Lower | Lower Middle | Upper Middle | Upper |
| | Employees | Quartile | Quartile | Quartile | Quartile |
| | Pay Gap | Pay Gap | Bonus Gap | Bonus Gap | Proportion Receiving |
| | (Mean) | (Median) | (Mean) | (Median) | Bonus Pay |
| Sanctuary Maintenance Contractors Limited Total | 15.5% | 26.6% | 50.0% | 50.0% | 0.3% |

Assessing our gender data

In common with many large UK employers, we note that where a gender pay gap exists this is largely because there are more women in the lowest paying roles and fewer women in the highest paying roles.

Our analysis suggests that gender stereotypes, held and reinforced by wider society, are part of the root cause for our gender pay gap. Some jobs are still seen as for women and others for men. In general, those seen as male roles are higher paid.

For example, the majority of Sanctuary's maintenance repair operatives are male, whereas the majority of maintenance cleaning employees are female. The difference in these roles accounts for the pay gap in this operation. Across the whole organisation, though there are less men, proportionally more are found in the higher paid roles resulting in mean and median pay gaps.

Sanctuary recognises the issue and is proactively encouraging more women and men to consider roles beyond the stereotypes that constrain their choices.

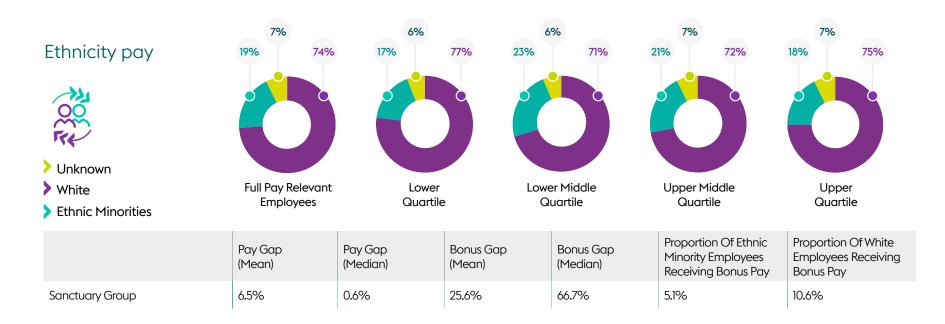
As indicated by the bonus data, Sanctuary does not have a culture of incentivising performance through large bonus payments. Smaller awards make up the majority of bonus payments in this data and these often stem from local authority payments to aid retention and as a thank you for working in Care or Supported Living throughout Covid-19. Big differences are linked to a very small number of employees who have received small one-off payments to recognise varying amounts of additional work.

Our ethnicity pay gap

Our whole workforce at the time of reporting, including those working in Scotland, was 11,370 people. 2,221 were from ethnic minority groups, 8,396 were white, and 753 chose not to share their ethnicity.

There are five pie charts displayed for the organisation as a whole. The first pie chart reflects the make up of the whole group, breaking down the ethnicity mix into two broad categories - white and ethnic minority.

The following four pie charts show make up at each quartile of pay. The first quartile shows the lowest paid employees and the fourth includes the highest paid employees.



Assessing our data

Our median ethnicity pay gap overall is small at 0.6 per cent. This is because the ethnic minority and white employees are fairly evenly distributed, proportionally, across all four quartiles.

In terms of bonus payments, in this period workforce development grants were paid by the Scottish Government and by some local authorities in England. These aimed to support retention and recognise the contribution made by employees at the height of Covid-19. The mean and median bonus gaps, as well as the differences in the proportions of employees receiving a bonus, are caused by the fact that though all employees working in Scotland received the same bonus, the vast majority of those employees are white. This has affected overall group results.

We know that there is much more to understand. Research finds that the pay gap both mean and median can be influenced by a variety of factors including geographical location, the nature of roles, gender and whether employees were born in the UK or overseas. We also appreciate that the umbrella term 'ethnic minorities' spans a diverse range of ethnic minority groups and that the pay gap varies between them; we will explore this in the future.

Actions we are taking

To effect sustainable change, we are focusing on removing barriers to equality of opportunity by:

- > developing culture, policy, procedure, and practice
- > monitoring outcomes
- > awareness raising and engagement.

Developing culture, policy, procedure, and practice

We are making progress towards our goal of being a diverse, inclusive organisation where our people thrive. Steps taken in the last year include:

- a new set of values, one of which is 'inclusion', and accompanying behaviours have been developed and the roll-out has started.
 Work is underway to embed this through policy, procedure and practice to support a culture of inclusive leadership.
- an inclusive recruitment specialist has been procured to carry out a deep dive into our current recruitment practice and then work with us to improve it. We already train managers in fair recruitment practice, use a variety of channels and images to attract a diverse range of applicants from the widest pools, seek to use gender neutral language in all our adverts, and make clear that we are a disability confident employer, ready to offer guaranteed interviews to those who meet the minimum criteria.
- our leadership development offer has been strengthened. Firstly, we have created an internal talent programme to develop director-level skills ensuring equality of opportunity at each stage of the selection process. Secondly, we are sponsoring high potential ethnic minority leaders through the <u>'Emerging Talent'</u> programme and our Group Director Growth and Partnerships continues as a board member of <u>Leadership 2025</u>.
- our Technology and Construction departments continue to tackle the gender imbalance so prevalent to these sectors. As a signatory of the Tech Talent Charter and Tech She Can Charter, our Technology team works to get more women into Technology and our Construction Manager runs a regular women in construction group to surface and tackle equality of opportunity issues.
- deepening the support for our diversity networks, including the Parent Network and Race Equality Network, which continue to grow and develop. Each now has an Executive Sponsor.

To hold ourselves to account for equality of opportunity beyond gender pay gap and ethnicity pay gap reporting, we have begun the development of an Equality, Diversity and Inclusion Dashboard. This aims to provide users with data on:

- outcomes of key employment practices (for example, recruitment and promotion) over time, by sex, ethnicity, disability, sexual orientation, age, and religion/belief, and by business area
- > how engaged and included employees feel.

A first version is being trialled in 2023, with the aim of informing future priorities for action.

Awareness raising and engagement

To celebrate diversity, raise awareness of the barriers some groups face in achieving their potential and how all can positively contribute to change, we have:

- supported the development of four employee networks (Parent Network, PRISM for sexually and gender diverse colleagues, Race Equality Network, and Disability Network) and their activities - articles, training, away days, vlogs, newsletters as well as parades, conference sessions and drop-ins throughout the year.
- developed and delivered an annual programme of events including International Women's Day in March, Cultural Diversity Day in May, PRIDE in June/July, Black History Month in October, and International Day of Persons with Disabilities in December.
- refreshed our Line Manager EDI training, facilitating discussions of real-life scenarios tackling everyday barriers and biases.

Diversity and inclusion in the workplace

We know there is more to do and will continue to strive to be an inclusive employer where all employees are able to reach their full potential.

We confirm that our gender pay gap data calculations are accurate and meet the requirements of the regulations.



Craig Moule Group Chief Executive



Nicole Seymour Executive Director - Corporate Services