



**Ethnicity
pay gap
report**

2023

Contents

Introduction	03
Ethnicity definitions and classifications	04
Ethnicity pay gap reporting explained	05
Our people	06
Our results	07
How we will continue to make a difference	12



Introduction



I am proud to present Seetec's third annual ethnicity pay gap report. It's vital that our colleagues – the employee-owners of our business – reflect the communities we serve, and this report supports our commitment to build an inclusive organisation where people from every background enjoy equal access to opportunities, development and growth.

It's important to recognise that the ethnicity pay gap is not to be confused with equal pay. Ethnic pay disparities are not about people from different ethnic groups being paid differently for the same job, which is unlawful under the Equality Act (2010). The ethnicity pay gap shows the difference in the full-time equivalent earnings between ethnic minority colleagues and white colleagues, expressed as a percentage of the average earnings of white colleagues. Any subsequent gap can be driven by a range of factors, particularly the representation of people from ethnic minority backgrounds in more highly paid positions.

This year we report a median pay gap of -4.00% and a mean pay gap of -7.70%, based on data taken on 5 April 2023. This shows that earnings for colleagues from ethnic minority backgrounds are, on average, higher than their white colleagues. This is primarily driven by the strong representation of people from ethnic minority backgrounds at senior levels of our organisation.

While the data compares favourably with the latest UK median ethnicity pay gap reported as 2.30% in 2020*, it should be noted that our report reflects our business on a particular date and could change in future as people move in and out of the organisation.

That's why we continue to progress a proactive inclusion agenda, because we know that pay and progression is only one part of the picture. I am particularly encouraged to report that this year, 83.80% of colleagues have disclosed their ethnicity data to us, compared with 81.60% in 2022. We will continue to listen to colleague feedback and work closely with our Inclusion Groups to seek improvements and develop plans that make Seetec an even better place to work.

It is not a legal requirement to report our ethnicity pay gap data, but it forms an important part of our commitment as signatories to the Race at Work Charter and supporting our journey towards further improving ethnic diversity among colleagues. I encourage colleagues and business partners to read this report and continue to reflect on how we continue to attract talent from all ethnic backgrounds to our organisation, support people and reward them for their contribution.

“We celebrate everyone’s uniqueness. We are free to be ourselves. We celebrate and embrace each other’s uniqueness and ensure everyone has access to the same opportunities.”



**Sasha Ashton,
Group HR Director**

*Source: Office for National Statistics: October 2020

Ethnicity definitions and classifications

In this report, we compare pay for our colleagues from ethnic minority backgrounds to pay for White colleagues.

For the purposes of this report ethnic minorities is defined as all ethnic groups except White ethnic groups. It does not relate to country of origin or affiliation and comprises all Mixed, Asian, Black and Other (non-white) ethnicities. White ethnic groups comprise White British, White Irish, and Other White.

In order to calculate an overall ethnicity pay gap, we have grouped together ethnic minority colleagues and compared their salary with colleagues who are White.

However, we know that categorising colleagues in this way poses several challenges: for example, it inaccurately suggests that colleagues have the same experiences or level of representation. We recognise that any nuances would be lost by grouping all ethnic minority colleagues into one, and overall figures could be masked if one or two people from ethnic minorities occupy more senior positions. It is our ambition to explore these issues further in future, as we develop our reporting.



Ethnicity pay gap reporting explained

As ethnicity pay gap reporting is not yet a legislative requirement, there are no guidelines or best practice for how to calculate the data. We expect this will change in coming years and are proactively choosing to take the opportunity to analyse our ethnicity pay data. However, we currently report our gender pay gap and for consistency, comparison, and ease of understanding we have followed the same methodology.

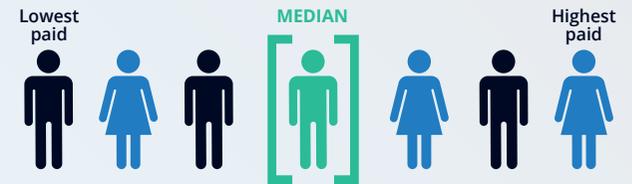
The ethnicity pay gap shows the difference in the full-time equivalent earnings between ethnic minority colleagues and White colleagues, expressed as a percentage of the average earnings for White colleagues. An ethnicity pay gap can be driven by a number of factors including, crucially, a lack of representation in senior positions.

Pay gaps are often reported using both the median and the mean averages – which is what we have done in this report.

It is important to note that the pay gap is different from the issue of equal pay – namely the legal requirement to pay two individuals the same for equal work – which is governed by the Equality Act. This means that even when pay is equal there may still be an ethnicity pay gap. Seetec has always been committed to ensuring that we treat people fairly and do not pay colleagues differently for doing the same or equivalent work and our pay structures reflect this.

Distinguishing between median and mean

The **median gap** is calculated based on the difference between the employee in the middle of the range of ethnic minority salaries and the middle employee in the range of White salaries. We rank our ethnic minority colleagues and White employees separately, from the lowest to the highest paid, the middle-paid colleague in each group is the median and the difference is expressed as a percentage. A positive figure indicates there is a pay gap with White colleagues earning more than colleagues from ethnic minority backgrounds and a negative figure indicates a pay gap with ethnic minority colleagues earning more than White colleagues.



The **mean gap** (or average) is calculated based on the difference between the mean salary for ethnic minority colleagues and mean salary for White colleagues. It is calculated by adding up the salaries in the relevant group and dividing the figure by the number of employees in the group. The difference between the two averages is then expressed as a percentage. Again, a positive figure indicates there is a pay gap with white colleagues earning more than colleagues from ethnic minority backgrounds, and a negative figure indicates a pay gap with ethnic minority colleagues earning more than white colleagues.



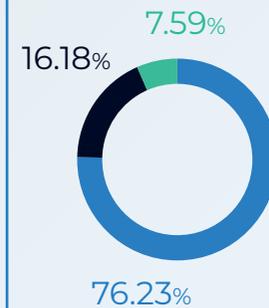
Our people

One key difference with ethnicity pay gap reporting versus gender pay gap reporting is that the results may depend significantly on how many colleagues are willing to provide information on their ethnic origins, which colleagues are not legally obliged to do.

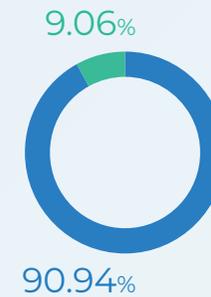
At the time of reporting (5 April 2023) 83.82% of our colleagues disclosed their ethnicity. This is up from 81.95% last year and 78.88% in 2021. It is positive to see that more colleagues are willing to share their ethnicity, however we recognise that 16.18% are undisclosed and limits the accuracy of our reporting.

Our data shows that 7.59% of our total workforce are from ethnic minority backgrounds. Our total workforce includes all colleagues who have chosen not to disclose their ethnicity. Of the 83.8% of our workforce who have disclosed their ethnicity, 9.06% are from Black, Asian, Mixed and Minority Ethnic groups.

Ethnicity profile (including non disclosed)



Ethnicity profile (disclosed only)



- White
- Ethnic minorities
- Unknown

	Representation- Ethnic Minorities (Incl. non disclosed)	Representation- Ethnic Minorities (Disclosed only)
2023	7.59%	9.06%
2022	6.57%	8.02%
2021	4.70%	5.96%



Our results

Summary

- Overall, 83.82% of our colleagues have disclosed their ethnicity data compared to 81.95% in 2022, and 78.88% in 2021.
- Of those declared, 9.06% of colleagues are from an ethnic minority background, up from 8.02% last year and 5.96% in 2021.
- Our overall median ethnicity pay gap is -4% and mean gap is -7.68% with both gaps being negative indicating a pay gap with ethnically diverse colleagues earning more on average than white colleagues.

Our ethnicity pay gap

The table below shows our overall median and mean ethnicity pay gap based on hourly rates of pay as at the snapshot date of 5 April 2023 and the comparison against our previous reports. For the last 2 years we have reported a negative pay gap where colleagues from ethnic minority backgrounds earn more on average than white colleagues.

	Median Pay Gap	Mean Pay Gap
2023	-4.00%	-7.68%
2022	-2.58%	-11.17%
2021	2.66%	5.07%

The UK national median pay gap is 2.3% (Source: Office for National Statistics 2020)

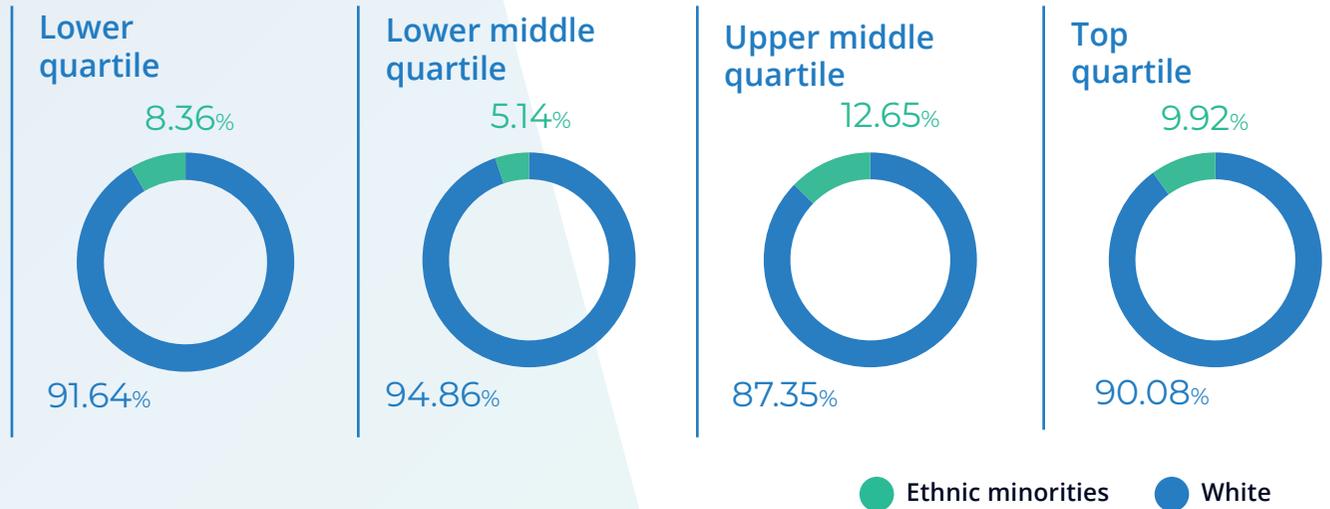


Our results



Ethnicity by pay quartile

This information helps to identify where people from ethnic minorities are concentrated in terms of pay. Our data shows that ethnic minority colleagues are represented more in the upper pay quartiles, with the highest representation in the Upper Middle quartile resulting in a negative ethnicity pay gap with ethnically diverse colleagues earning more, on average, than white colleagues.



Pay quartile	% of colleagues from ethnic minority backgrounds 2023	% of colleagues from ethnic minority backgrounds 2022	% of colleagues from ethnic minority backgrounds 2021
Lower quartile	8.36%	6.16%	6.11%
Lower middle quartile	5.14%	8.01%	8.53%
Upper middle quartile	12.65%	9.09%	4.81%
Top quartile	9.92%	8.68%	4.63%

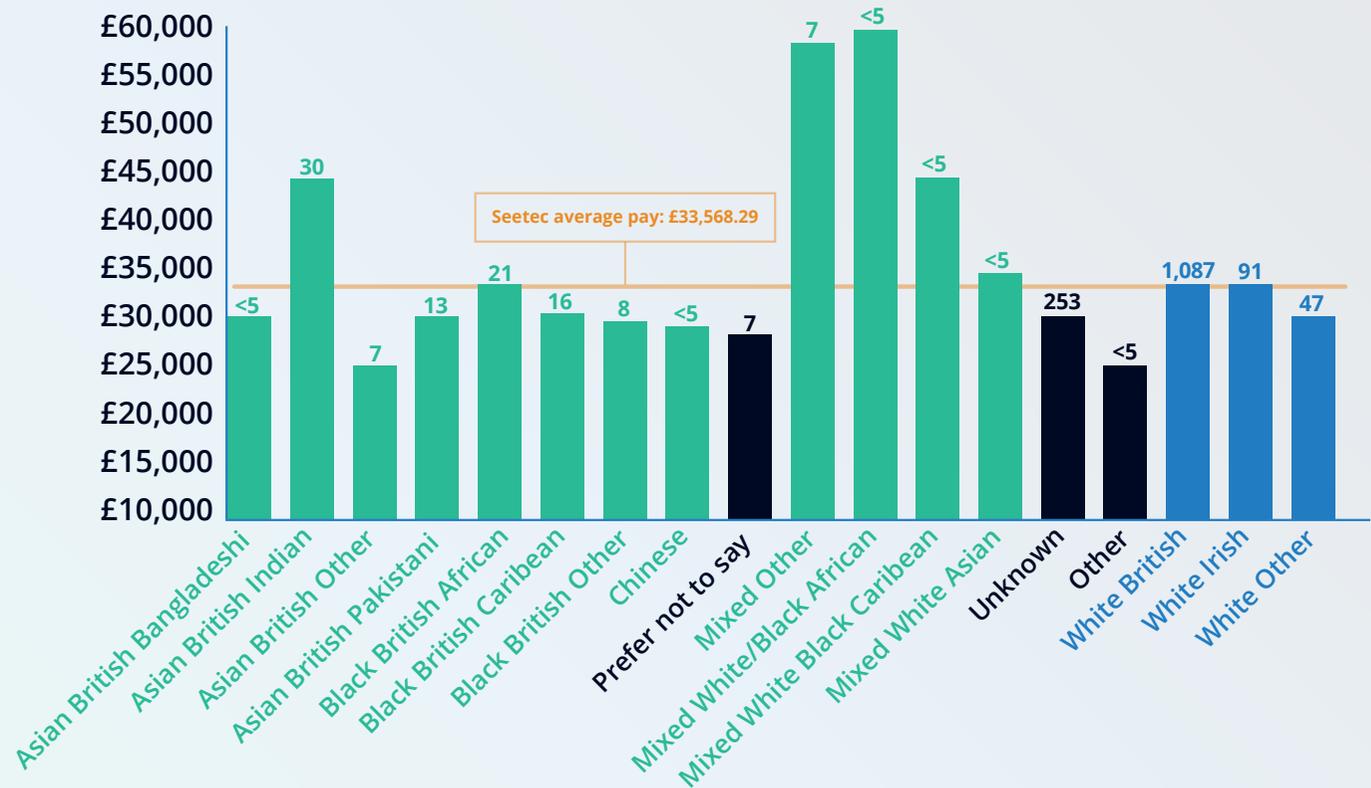
Our results



Average pay by ethnicity

As already outlined, for the purposes of this report ethnic minorities is defined as all ethnic groups except White ethnic groups and we recognise that by grouping all ethnic minority colleagues this may not give us a true reflection of any pay disparities experienced by any one single ethnic minority, In the interest of transparency below is the breakdown by ethnicity background of average pay across our organisation.

Average pay across Seetec by ethnicity

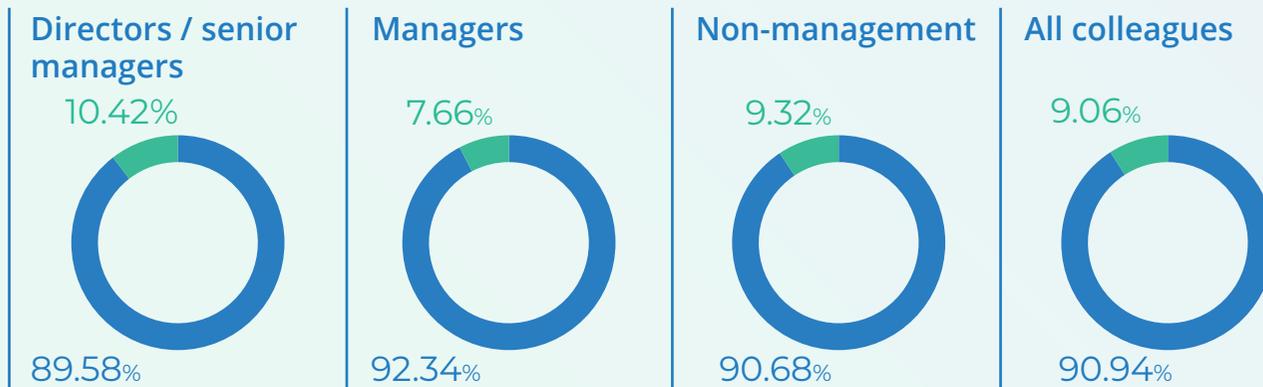


Our results

Ethnicity representation by job level

Our data shows that there is a higher representation of ethnic minority colleagues at Senior Manager/Director and at non-management level compared to our 2022 report with a slight reduction at Manager level. Representation at all levels has increase from our first Ethnicity pay gap report in 2021.

	Ethnic minorities % 2023	White % 2023	Ethnic minorities % 2022	White % 2022	Ethnic minorities % 2021	White % 2021
Directors/Senior managers	10.42%	89.58%	9.09%	90.91%	3.77%	96.21%
Managers	7.66%	92.34%	7.94%	92.06%	3.74%	96.26%
Non-management	9.32%	90.68%	7.99%	92.01%	6.41%	93.59%
All colleagues	9.06%	90.94%	8.02%	91.98%	5.96%	94.04%



● Ethnic minorities ● White



Our results

Pay analysis by job level

In the same way as gender, our approach to pay and reward is based on fairness, and we have robust processes and salary structures in place to ensure that our people are treated equally. Our analysis of pay within job levels supports that these are effective. At non-management level and at Senior Manager/Director level our median and mean pay gap pay is negative, with ethnic minority colleagues earning more than white colleagues. And at manager level, the pay gap is significantly reduced since our last report in 2022.

	Median pay gap 2023	Mean pay gap 2023	Median pay gap 2022	Mean pay gap 2022	Median pay gap 2021	Mean pay gap 2021
Directors/Senior managers	-85.34% *	-50.76% *	-96.19% *	-61.16%*	-17.77%	-29.65%
Managers	1.15%	2.53%	7.94%	5.22%	3.48%	12.81%
Non-management	-4.96%	-3.66%	0.0%	-4.88%	1.71%	2.17%
All colleagues	-4.00%	-7.68%	-2.58%	-11.17%	2.66%	5.07%

*This is indicative of the high proportional ethnically diverse representation among this group of colleagues.

Understanding our ethnicity pay gap

We can conclude that our median ethnicity pay gap of -4.00% for April 2023 is driven by a higher representation of ethnic minority colleagues at Senior Manager/Director level and, as a result, a higher proportion in the upper middle and top pay quartiles



How we will continue to make a difference

Below are some of the ways in which we will address our ethnicity pay gap:

Our pay structure

We provide fair and equal pay opportunities for all our colleagues. In our pay and grading structure, each job or group of jobs has an associated salary range and we ensure that salaries for roles are competitive by comparing jobs against rates of pay in the same occupational sectors and we have been a Real Living Wage Employer since June 2020. Having a clear grading structure helps to provide a logical basis for objective decisions about pay and progression.

Commitment:

We commit to keeping our pay and grading structure under review, taking into account the impact on ethnic minority colleagues, to ensure we continue to provide fair and equal pay opportunities. This includes an analysis of job hierarchies and consideration of market pay rates. We will also continue to report, monitor and analyse gaps in career progression of our colleagues from ethnic minority backgrounds via our monthly People Management Information Suite.

Management training opportunities

We operate a Management Development Academy for all our managers and Accelerated Development Programme (AD) for our talent population. We have a robust system of one-to-ones between managers and colleagues to identify training needs and progression opportunities.

Commitment:

We commit to enrolling new managers and reviewing attendance of current managers from ethnic minority backgrounds on the MDA and ACD programmes.

Employee voice

As an Employee-owned business our colleagues' help shape our strategic direction and inform our decision making. The Employee Council regularly meets with Senior Leaders and our Employee Representatives are embedded within our Governance meetings.

Commitment:

We commit to sharing the results of this year's Ethnicity Pay Gap Report with our Employee Council, our Seetec Ethnicity Empowerment Network (SEEN) and wider colleagues. We will work with SEEN to support delivery against our EDI action plan and to positively and proactively address any direct or unintended discrimination. We will seek the views of the inclusion group and survey colleagues across the organisation to understand how they feel we are currently performing, as well as to continue to measure progress.

EDI training

We provide a wide range of opportunities for colleagues at all levels to develop their skills, including learning around equality, diversity and inclusion (EDI). For managers and aspiring managers, EDI is firmly embedded in our Management Development Academy and Accelerated Development Programmes.

Commitment:

We commit to continuing to deliver training to all colleagues regarding unconscious bias, and other EDI topics. This will support managers to make objective decisions around recruitment and promotions, leading to greater representation from ethnic minorities in the workforce and particularly in more senior roles. We will monitor and report on training completion rates.

How we will continue to make a difference

Recruitment

We are committed to ensuring all recruitment is fair and transparent in line with our organisational values, behaviours, safeguarding principles, our Equality, Diversity and Inclusion Policy and wider employment legislation. We will always recruit the person who is most suited to each particular job. We operate an anonymous application process, and we recruit solely on the basis of the applicant's abilities and individual merit as measured against the predetermined criteria for the job. Qualifications, experience and skills are assessed at the level that is relevant to the job. We routinely collect data on the diversity of our applicants, and report and monitor on conversion rates to interviews and appointments to ensure that our processes do not disproportionately impact individuals from under-represented groups.

Commitment:

We commit to regularly reviewing how and where we attract our people from and to identify methods to address any identified disproportionality experienced by under-represented groups. Our Recruitment Team will continue to work with hiring managers to ensure diverse interview short-lists and selection panels.

Management information

We request diversity details from new colleagues following appointment and we currently have an 83.82% disclosure rate for ethnicity data. Workforce profile statistics are reported via our monthly People Management Information (MI).

Commitment:

We commit to continuing to encourage employees to complete their ethnicity data to get close to a 100% completion rate. We will also seek to understand the reasons why colleagues are actively choosing not to disclose information and whether there is a wider cause for concern.

Accreditations and pledges

We are signatories to the Race at Work Charter and hold the Inclusive Employers Bronze Standard, currently held by only 61 organisations within the UK, and is an evidence-based workplace accreditation, where members must demonstrate their commitment to inclusion and diversity through meeting the requirements of the specified framework laid out by Inclusive Employers. We have been a Real Living Wage Employer since June 2020.

Commitment:

We will deliver against our Race at Work Charter commitments and continue to work towards achieving the Inclusive Employer Gold Standard.

