

TO OUR VALUED COLLEAGUES AND THE WIDER COMMUNITY...



As we release our 2023 diversity pay gap reports, encompassing gender, ethnicity, and disability, it is with a sense of pride and a commitment to ongoing progress that we reflect on our journey. At ActionAid UK, our dedication to fostering an inclusive and equitable workplace is at the heart of everything we do. Our recent findings demonstrate that, compared to our benchmarks, we are performing positively. However, we are acutely aware that our work in this arena is far from over.

These reports are not just an exercise in compliance or transparency; they are a reflection of our unwavering commitment to equality. We recognise that despite our progress, there remain disparities in our data that need our attention. To that end, we are not just committed to mitigating any variances in pay across key demographics but are also devoted to enhancing the quality and scope of our reporting.

In our pursuit of a more inclusive future, we will be reviewing our current reporting parameters and exploring new ones, to better our understanding of the multi-dimensional nature of our workforce and ensuring that every individual feels valued and represented.

Our journey towards diversity and inclusion is ongoing, and we embrace the challenges and opportunities it presents. By continually assessing and addressing pay disparities, we are not just advocating for fairness but are actively shaping an organisational culture that is reflective of the diverse world we live in.

As we share these reports, we invite our colleagues and the public to join us in this critical conversation. Let us work together to build a more equitable, just, and inclusive society.

With sincere commitment,

Shade Odupelu Co-CEO

ActionAid UK



INTRODUCTION

In 2017, the Government legislated that organisations meeting certain criteria were obliged to publish *gender* pay gap data. Whilst not meeting the legislated gender pay gap reporting threshold, and whilst legislation does not mandate ethnicity pay gap reporting, in recent years ActionAid UK has conducted both gender and ethnicity pay gap reviews.

Reinforcing its commitment to equality and diversity, ActionAid UK has further partnered with an external agency, ImaginativeHR, to conduct additional analysis on the disability pay gap which forms the basis of this report.

In the absence of any substantive authority on how this report should be constructed, we have taken a very similar approach to that in the gender and ethnicity pay gap reports

This is the first report of its kind in the organisation so there is no previous data to benchmark against; though this report will serve as a benchmarking resource for future reports.

TERMINOLOGY

Please note that where this report makes reference to disabled and non-disabled staff, individuals within these categories have self-identified as such via ActionAid's internal MyHR system.

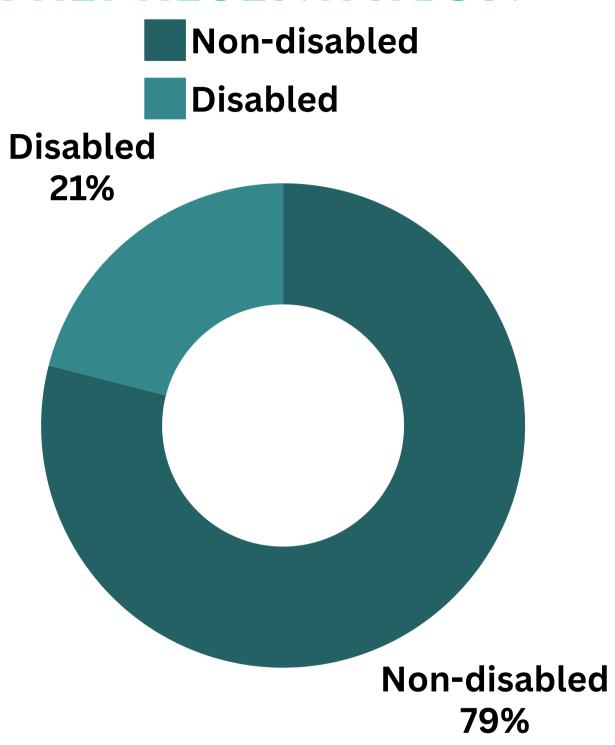
WHAT IS DISABILITY PAY GAP?

The disability pay gap refers to the disparity in earnings between individuals with disabilities and those without disabilities. It is a measure of the difference in income and wages between these two groups of people. This gap can manifest in various ways, including:

- 1. **Lower Earnings**: People with disabilities often earn less than their counterparts without disabilities for the same work or similar roles.
- 2. **Underemployment:** Individuals with disabilities may be more likely to work part-time or in jobs that do not fully utilize their skills and qualifications, which can result in lower earnings.
- 3. **Limited Career Advancement:** They may face barriers to career advancement, such as promotion opportunities being less accessible to them compared to their non-disabled peers.
- 4. **Unequal Opportunities:** Discrimination and bias in hiring and workplace practices can hinder individuals with disabilities from accessing the same job opportunities and pay scales as others.
- 5. **Education and Training Gaps:** Limited access to education and vocational training can also contribute to the disability pay gap, as it may restrict their ability to secure higher-paying jobs.
- 6. Workplace Accommodations: While accommodations can help level the playing field, they may also come with costs or be seen as a barrier to hiring and career advancement.



OUR REPRESENTATION



FACT

On a national level, disabled employees with autism as their main impairment experienced a wider pay gap than any other disability category in 2021, with a median of 33.5%.

IN APRIL 2023, THERE WERE 44 COLLEAGUES WHO
INDICATED THAT THEY HAVE A DISABILITY RELATING TO THE
CATEGORIES PROVIDED IN THE ACTIONAID MYHR SYSTEM.
166 COLLEAGUES DID NOT DISCLOSE THAT A DISABILITY
WAS PRESENT.

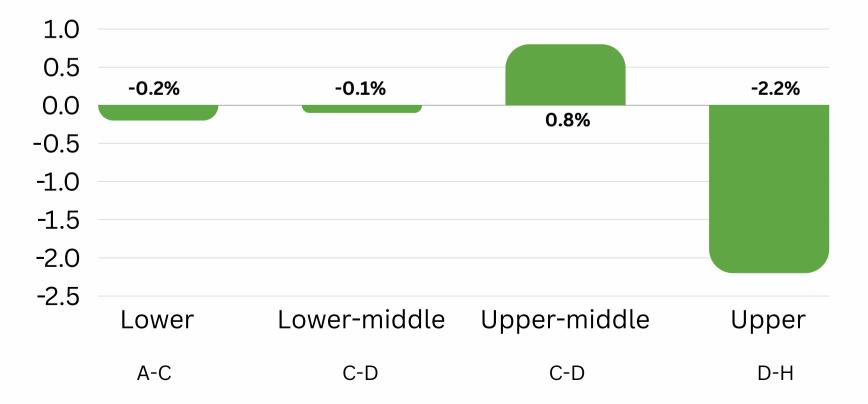
OUR DISABILITY PAY GAP

DISABILITY PAY GAP QUARTILES

This data shows the proportion of non-disabled to disabled colleagues in each pay band quartile.

Pay Band Quartile	Non-disabled	Disabled
1. Lower quartile	79.2%	20.8%
2. Lower middle quartile	78.8%	21.2%
3. Upper middle quartile	79.2%	20.8%
4. Upper quartile	78.8%	21.2%

INTER-QUARTILE PAY GAP



MEDIAN PAY GAP

The median pay gap is calculated by determining the midpoint, or middle value, of the earnings distribution across an organisation.

The median pay gap for non-disabled to disabled employees is -0.7%.

MEAN PAY GAP

The mean pay gap is determined by finding the average earnings across two groups and then calculating the difference between the two values.

The mean pay gap for non-disabled to disabled employees is also -0.7%.

UNDERSTANDING THE PAY GAP %

Pay gap calculation:

- Average non-disabled earnings denoted by 'xA'
- Average disabled earnings denoted by 'x̄B'

$$\frac{(\bar{x}A - \bar{x}B)}{xA} \times 100 = \text{pay gap } \%$$

A positive pay gap indicates a difference in pay in favour of colleagues who identify as non-disabled; and a negative pay gap indicates a difference in pay in favour of colleagues who identify as disabled.



DISABILITY PAY GAP PER BAND

The table below shows the hourly pay differential between disabled and non-disabled colleagues in each pay band.

The data suggests that there is broadly a balance in pay between disabled and non-disabled colleagues across the organisation, despite there being some notable pay gaps at various pay bands.

Where there are greater pay gaps within bands, we are drawn to low overall sample size i.e., comparing a very small number of colleagues against a much larger number, leaving room for potentially misleading data.

Band H shows a 0% pay gap because there is not sufficient representation from both groups to do any analysis.

Pay Band	% Mean	% Median
A	2.9	4.8
В	-5.3	-2.8
C	-0.2	0.7
D	2.1	2.1
E	-1.9	-3.9
F	-3.7	-5.1
G	7.5	7.5
H	0	0

^{*}Colleague numbers within each band removed to protect anonymity.

SUMMARY

On balance, we are pleased to report a minimal overall pay gap of -0.7% on both a mean and median basis, which translates to 17p and 18p respectively. Those who identify as disabled are paid marginally higher than their non-disabled counterparts.

We observed that in spite of a large portion of the disabled community being white and female, this has not had a notable impact on the overall findings.

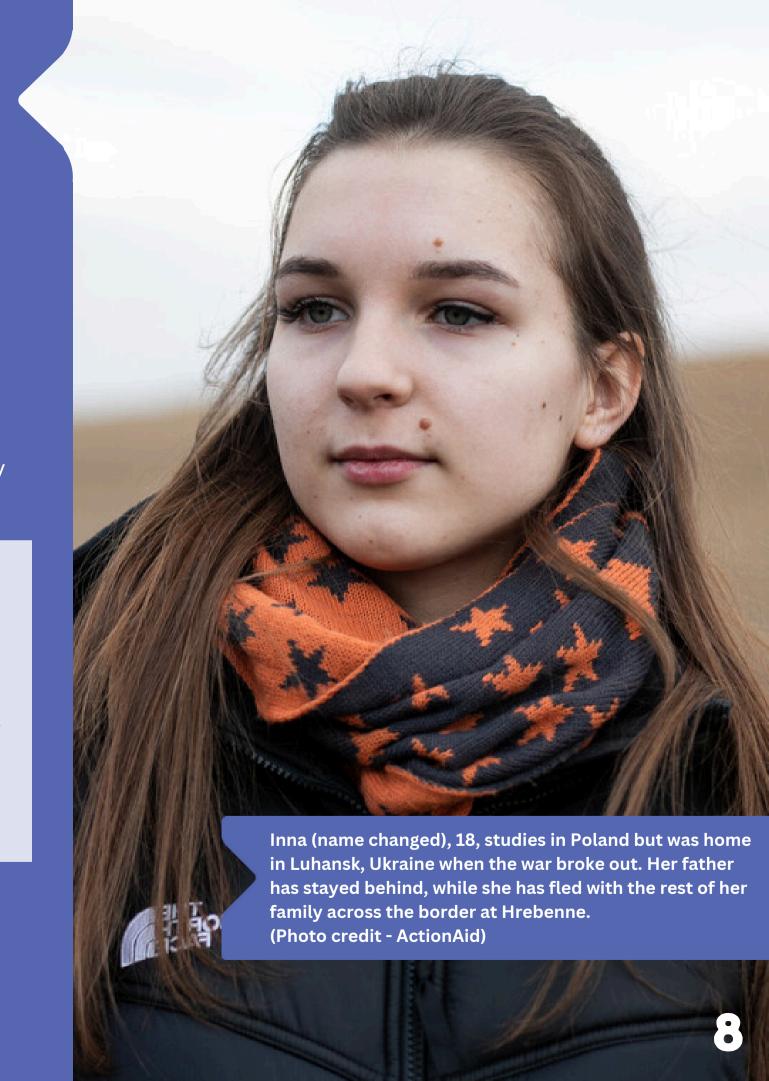
That said, we found that the gap between disabled male versus disabled female colleagues was heavily in favour of women with a mean pay gap of -13.3%. This is likely due to wider band dispersion of disabled female colleagues than male.

Furthermore, we ran some additional calculations to assess the impact of service on the disabled community. Based on the mean service of all colleagues, which is 4.91 years, the pay gap for both short and long service colleagues is in favour of disabled colleagues, with pay gaps of -0.7% and -5.8% respectively.

Overall, we found no evidence to suggest that any bias exists that may impact the pay or long-term progression of disabled colleagues at ActionAid UK. The disabled community it represented consistently at all levels of the organisation and includes those with shorter as well as longer service.

BENCHMARKING

The latest data from the Office for National Statistics (2021) shows that the UK national median hourly disability pay gap was 13.8%. See the full report <u>here</u>.





ACTIONAID UK'S COMMITMENT

ActionAid UK is passionate about its people and remains committed to equality, fairness and minimising any disparity in pay across the various egroups represented in the organisation.

As part of the ongoing effort to close the gaps identified in this report, ActionAid UK should consider the following actions:

- Maintain a fair and transparent recruitment process to ensure equal opportunity for candidates from all backgrounds.
- Ensure that all colleagues have equal opportunity and access to promotion within the organisation.
- Continue to develop Groups of Influence within the organisation, bringing the views of all communities to the forefront of people strategy.
- Continue to communicate transparently with all colleagues, including where there is obvious work to do.
- Review the list of disability categories on MyHR to improve the quality of data, so that more detailed analysis can be conducted.
- Offer negotiation skills training to all employees, with a focus on ensuring that disabled employees are equipped to negotiate effectively.
- Commit to consistent and more detailed reporting on the disabled community in the future.
- Continue to review and update policies and practices to ensure they align with evolving best practices and the changing needs of disabled employees.

DISABILITY CATEGORIES

Those who identify as having a disability do so by recording it against the following categories in the ActionAid UK MyHR system:

- Hearing Impairment
- Learning Difficulties
- Mental Health
- Mobility Impairment
- Physical Co-ordination Difficulties
- Reduced Physical Capacity
- Severe Disfigurement
- Speech Impariment
- Visual Impairment
- Disability Not Yet Established
- Prefer not to say*

*There may be occasions where an individual has indicated that a disability is present, but they have not disclosed the nature of what that disability is; any occurances of such have been included as part of the disability data.





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