



# Peabody and Catalyst Gender and Ethnicity Pay Gap *Report*

2022



**Please mind the gap**

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## *Introduction*

Embedding **equality, diversity** and **inclusion** into our new combined organisation is one of our key priorities.

We're committed to increasing the representation of women and ethnic minority colleagues at senior levels, including our executive team and Board. We're also making our recruitment processes fairer by using name-blind recruitment and implementing the Rooney Rule.

But we still have a lot more work to do.

## Introduction

**Peabody** and **Catalyst** merged in April 2023, so we don't yet have the gender and ethnicity pay gap figures for the new combined organisation. For now, this report looks at the gender and ethnicity pay gap at the two companies as separate entities in the year to April 2022 – the latest figures available. The findings have helped focus our attention on the areas where we need to improve.

We are passionate about making sure that everyone has the same opportunity to flourish, whatever their gender or ethnic background.

## Gender pay and bonus *gap*

### At Peabody

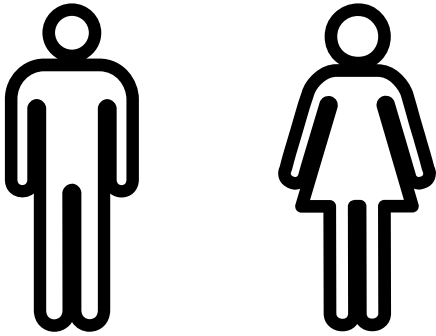
For 2021-2022, we achieved a slight reduction in the mean and median gender pay gap. In terms of the gender bonus pay gap, we cut the mean bonus pay gap from 32.6 percent to 15.8 percent, with women slightly more likely to receive a bonus than men.

### At Catalyst

We reduced the mean gender pay gap from 6.7 percent to 1.9 percent. We also cut the mean gender bonus gap significantly from 32.0 percent to -1.6 percent.

## Peabody gender pay gap

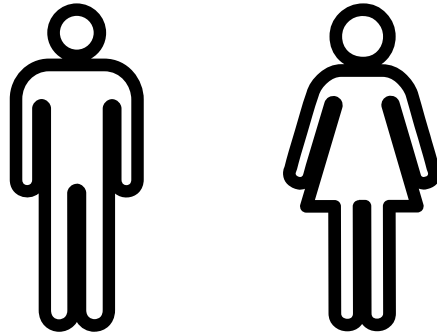
2020-2021



Mean pay gap **15.8%**

Median pay gap **10.2%**

2021-2022

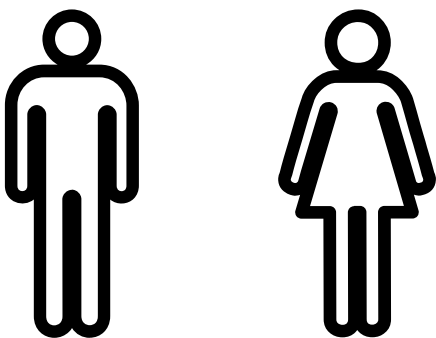


Mean pay gap **15.3%**

Median pay gap **9.1%**

## Catalyst gender pay gap

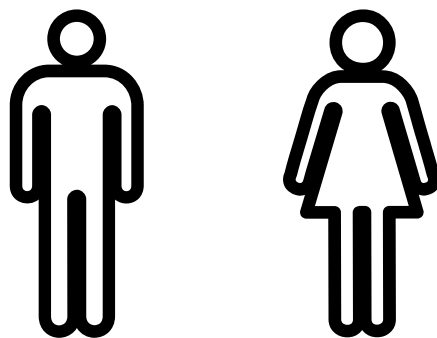
2020-2021



Mean pay gap **6.7%**

Median pay gap **-0.3%**

2021-2022



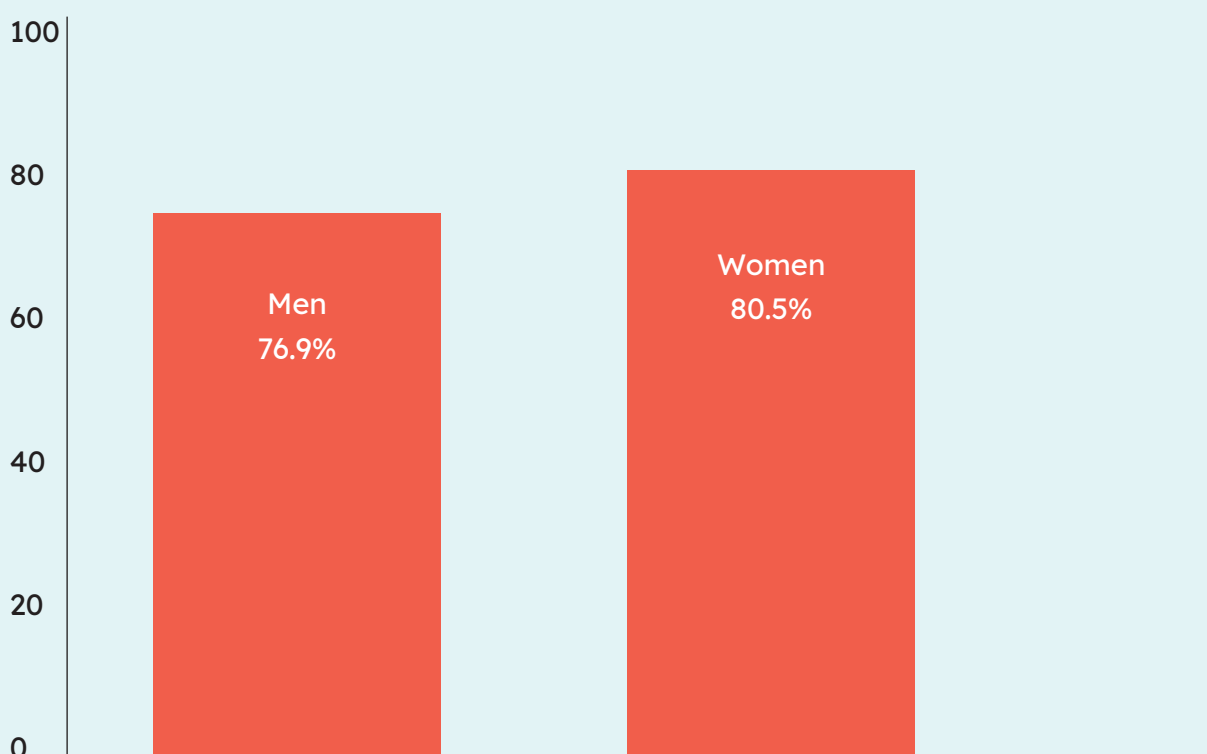
Mean pay gap **1.9%**

Median pay gap **1.2%**

## Peabody proportion of men and women receiving a bonus

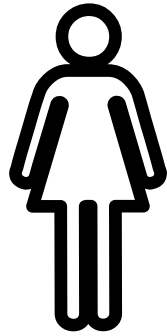
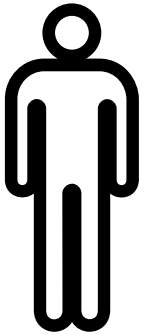


## Catalyst proportion of men and women receiving a bonus



## Peabody gender bonus pay gap

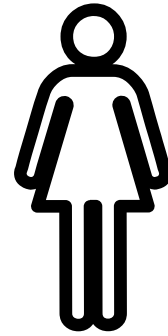
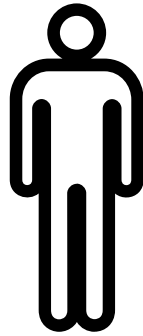
2020-2021



Mean bonus gap **32.6%**

Median bonus gap **0.0%**

2021-2022

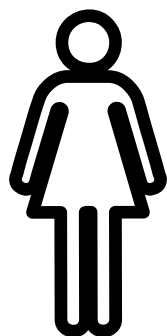
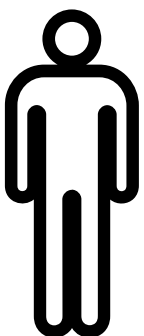


Mean bonus gap **15.8%**

Median bonus gap **5.0%**

## Catalyst gender bonus pay gap

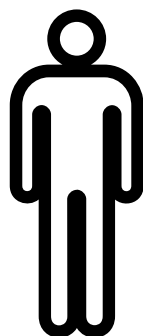
2020-2021



Mean bonus gap **32.0%**

Median bonus gap **0.0%**

2021-2022



Mean bonus gap **-1.6%**

Median bonus gap **0.0%**

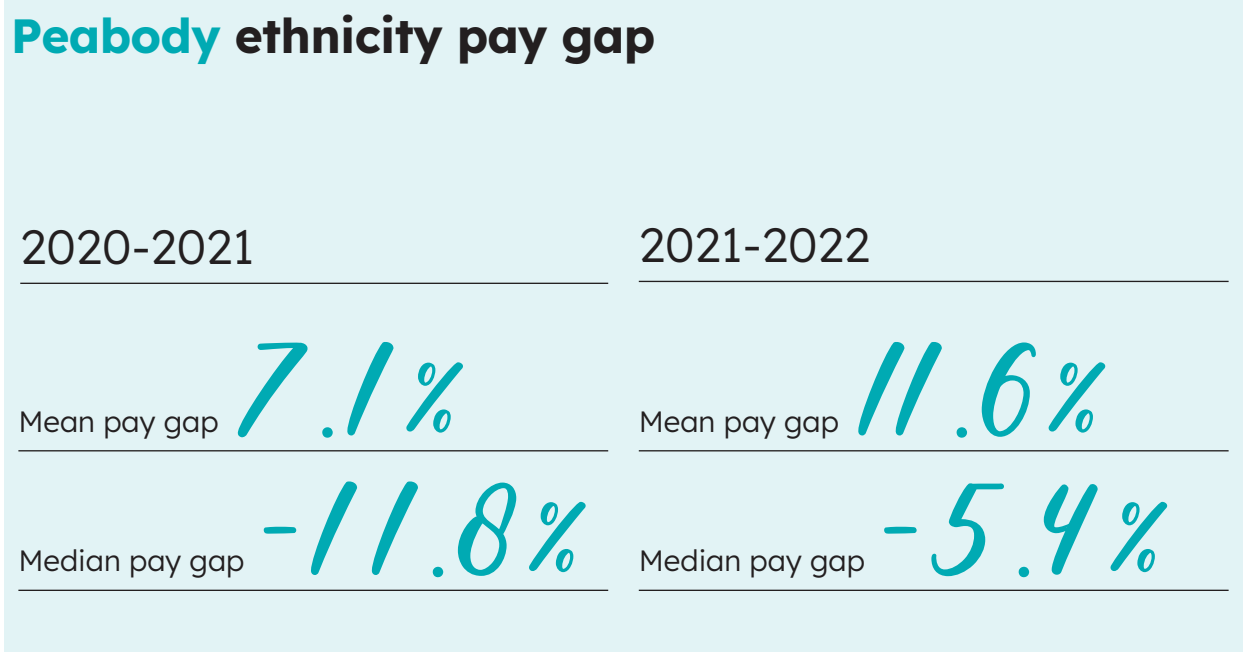
# Ethnicity pay and bonus gap

### At Peabody

Regrettably, we didn't manage to reduce the ethnicity pay and bonus gaps, with the mean ethnicity pay gap increasing from 7.1 percent to 11.6 percent. In terms of bonuses, we found that colleagues from an ethnic minority background were less likely to receive a bonus than their white colleagues. The mean and median ethnicity bonus gap also increased significantly.

### At Catalyst

We successfully reduced the mean ethnicity pay gap to 10.6 percent from 11.4 percent. However, the median ethnicity pay gap increased from -3.09% to 0.6%. In terms of bonuses we found that ethnic minority colleagues were slightly less likely to receive a bonus. We found a negative mean bonus gap of -0.2% and no median bonus gap.





## Catalyst ethnicity pay gap

2020-2021

Mean pay gap

11.49%

Median pay gap

-3.09%

2021-2022

Mean pay gap

10.6%

Median pay gap

0.6%

## Peabody ethnicity bonus gap

2020-2021

Mean bonus gap

15.9%

Median bonus gap

0.0%

2021-2022

Mean bonus gap

35.6%

Median bonus gap

26.3%

## Catalyst ethnicity bonus gap

2020-2021

Mean bonus gap

20.98%

Median bonus gap

0.0%

2021-2022

Mean bonus gap

-0.2%

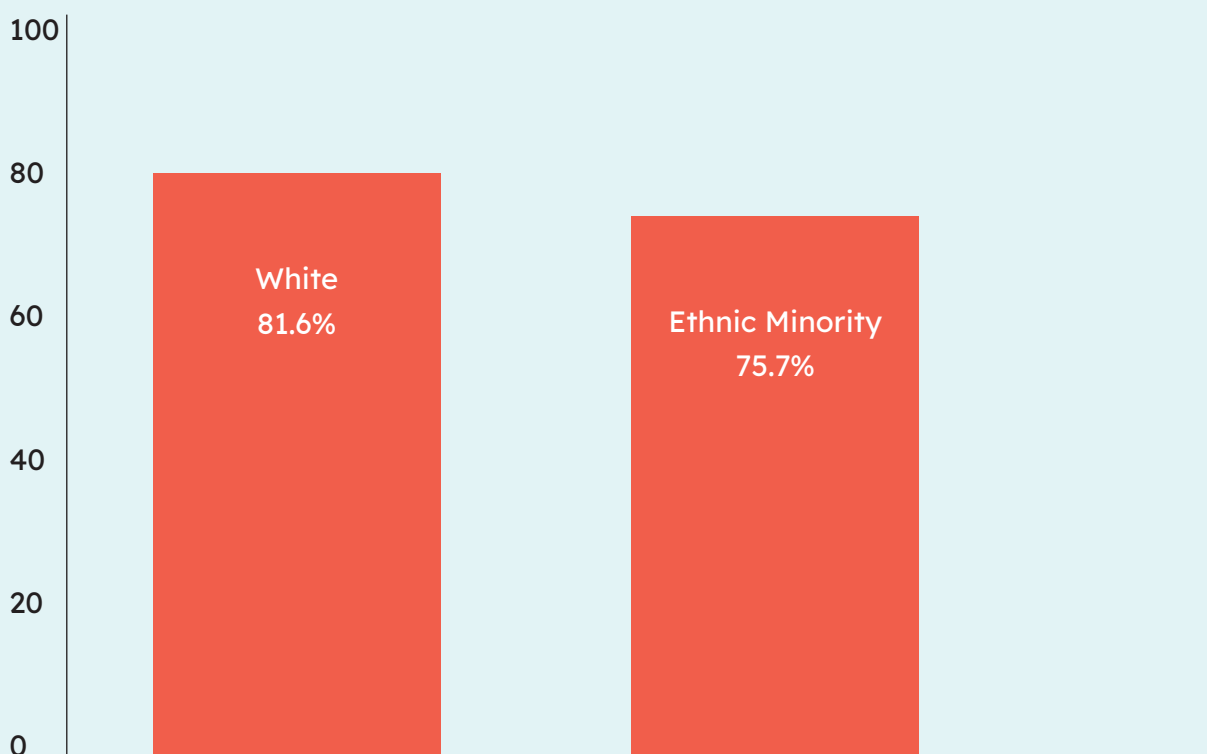
Median bonus gap

0.0%

## Peabody proportion of white and ethnic minority colleagues receiving a bonus



## Catalyst proportion of white and ethnic minority colleagues receiving a bonus



## Factors contributing to the *findings*

For Peabody, several factors have contributed to the gender and ethnicity pay and bonus gaps outcomes. These include:

- Three quarters of the people working in our Care and Support operations at the time of the pay gap assessment were women. These roles are typically lower paid.
- More women worked part time or reduced hours.
- The inclusion of the senior leadership team (assistant director and above) in the pay gap assessment.

Our analysis also found that the ethnicity bonus pay gap varied within each of the four pay quartiles. For example, in the upper pay quartile, 39 percent of white employees received a bonus of £1,500 or more, compared with 17 percent of ethnic minority employees. In the lower pay quartile, 65 percent of white employees received a bonus of £1,000 or more, compared with 54 percent of ethnic minority employees.

These findings highlight the need for greater consistency in the way we award bonuses. So we're reviewing our whole bonus structure to make it fairer and more transparent and have provided new guidance to those involved in bonus decisions.

We also know that a high proportion of our colleagues have yet to declare their ethnicity. We're doing what we can to encourage them to provide this information so we can improve the accuracy of our ethnicity pay gap reporting.

Through our new Group **Equality Diversity and Inclusion** Strategy 2023-2026 we will take the following action to help address the gender and ethnicity pay gaps that have been identified.

### These are to:

# 01

#### **Improve the ethnic diversity of our senior management team.**

By 2025, we'll increase the number of senior managers (Heads of Service and above) from ethnic minority backgrounds from 15 percent to 30 percent. To help meet this target, we'll introduce a range of measures focused on developing future leaders from ethnic minority backgrounds. These measures will include:

- Creating structured progression pathways to support ethnic minority colleagues into leadership roles.
- Promoting all professional development opportunities and progression pathways, making sure they are clear, visible and accessible.
- Utilising the Rooney Rule (where we will shortlist at least one woman and one ethnic minority candidate when recruiting for all senior level roles) and assessing its impact.
- Continuing to support programmes focused on the development and progression of ethnic minority colleagues and evaluating outcomes. We'll also ensure that colleagues completing these programmes are provided with further opportunities to support their career progression and development.

## 02

### **Make sure senior leaders are held accountable for addressing the gender and ethnicity pay and bonus gaps that have been identified.**

Our senior leadership teams will regularly review and monitor bonuses within their areas of business. This will ensure we have fair and inclusive processes and that no employee group is disadvantaged.

## 03

### **Review our approach to bonuses and provide clear guidance on how to manage and award them.**

We'll assess how we award bonuses and set out the key things to consider to ensure the process is fair and consistent.

## 04

### **Recruit people from diverse backgrounds.**

We'll continue to ensure that women and candidates from ethnic minority backgrounds are included on shortlists for senior level roles. We'll also do more to promote flexible and agile working and job share opportunities when advertising our roles.

All hiring managers will have to take part in inclusive recruitment and selection training. We'll also monitor and review the impact of initiatives such as name-blind recruitment and the application of the Rooney Rule.

## 05

### **Improve the quality of our workforce diversity data.**

Within the combined Peabody organisation, 13.6 percent of employees haven't declared their ethnicity. This makes it difficult for us to fully assess our ethnicity pay and bonus gaps. Improving the quality of our workforce diversity data is a priority and we will target areas of the business where ethnicity declaration rates are particularly low.

## 06

### **Identify and apply best practice.**

We'll learn from others and identify best practice from our external networks, including the National Housing Federation Diversity and Inclusion Network and the Employers Network for Equality and Inclusion.



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