

Ethnic Pay Gap Report

Newable Limited

5th April 2022



Newable

Background

This is the second year that Newable has voluntarily reported on its Ethnic Pay Gap.

We are committed to taking a proactive approach and see this as an opportunity to build stronger relationships with our staff and stakeholders through openness and transparency as well as demonstrating our desire to always improve and comply with our principles of diversity, inclusion, and equality.

All the ethnic pay information in this report relates to Newable Ltd and does not include other companies within the Group.

The report that follows shows the difference in the average hourly rate of pay at Newable between people from an ethnic minority background and people from a white background, expressed as a percentage of average earnings for people from a white background. This is calculated using the same calculation methodology as for gender pay gap reporting.

- **Median ethnic pay gap** – the difference between the median hourly rate of pay of white full-pay relevant employees and that of other ethnic minority groups full-pay relevant employees
- **Mean ethnic pay gap** – the difference between the mean hourly rate of pay of White full-pay relevant employees and that of other ethnic minority groups full-pay relevant employees
- **Median bonus gap** – the difference between the median bonus pay paid to White employees and that paid to other ethnic minority groups relevant employees
- **Mean bonus gap** – the difference between the mean bonus pay paid to White employees and that paid to other ethnic minority groups relevant employees
- **Bonus proportions** – the proportions of White and other ethnic minority groups relevant employees who were paid bonus pay during the relevant period
- **Quartile pay bands** – the proportions of White and other ethnic minority groups full-pay relevant employees in the lower, lower-middle, upper-middle, and upper quartile pay bands.

Calculating the mean: If we add together all the hourly pay rates that other ethnic minority groups staff earn, divided by the number of other ethnic minority groups staff in Newable, and then compare that with the same calculation for White staff, we get the mean ethnic pay gap.

Calculating the median: If we rank all of our people by their hourly pay rate, and then compare what the other ethnic minority groups staff in the middle of the other ethnic minority groups staff pay range received with what the White staff in the middle of the White staff pay range received, we get the median ethnic pay gap.

Headlines about the Ethnic Pay Gap tend to focus on the median figure as it dampens the impact of extremes and therefore thought to be the most representative measure for ethnic pay gap reporting; however, it is important to report all these measures as each one tells you something different about the underlying causes of the ethnic pay gap. For example, if there is a significant difference between the mean and median pay gap, this indicates the dataset is skewed by a group of very high earners (making the mean bigger than the median) or vice versa. Taking a snapshot of this data on a set date gives a level playing field for all organisations; although this can also hide the fluidity of ethnic pay gaps which can fluctuate from month to month and across pay quartiles depending on changes to our headcount.

All figures calculated in this report are on the standard methodologies used in the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

The report

Ethnic pay gap by hourly rate

	White	All ethnic minority groups	Percentage Difference	5 April 2022 versus 5 April 2021
Mean	£34.01	£32.87	3.4%	0.1% points higher
Median	£28.91	£28.79	0.4%	1% points lower

This table shows the mean ethnic pay gap figure has slightly increased to 3.4% (0.1% points higher than FY21), and the median ethnic pay gap figure has decreased to 0.4% (1% points lower than FY21).

Ethnic bonus gap

	White	All ethnic minority groups	Percentage Difference	5 April 2022 versus 5 April 2021
Mean	£4,320.22	£1,840.93	57.3%	4.4% points lower
Median	£2,353.00	£1,634.00	30.5%	9.6% points higher

This table shows the mean ethnic bonus gap for Newable has decreased to 57.3% (4.4% points lower than FY21); however, the median ethnic bonus gap has increased to 30.5% (9.6% points higher than FY21).

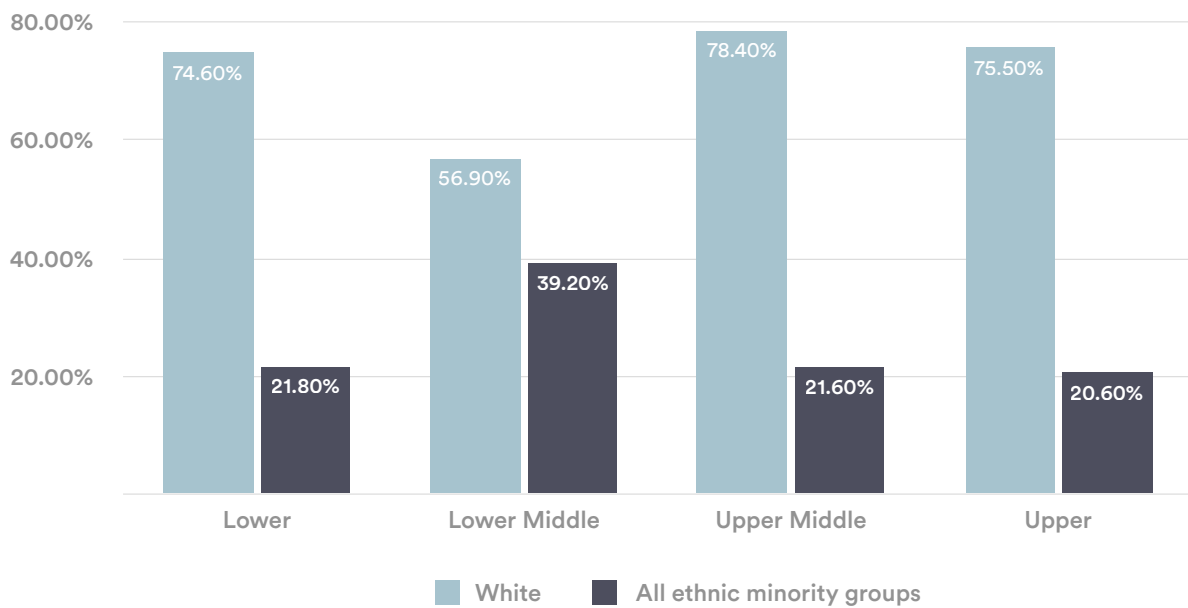
Bonus Proportions

	White	All ethnic minority groups
Number receiving bonus	113 out of 147	45 out of 57
Proportion receiving bonus	76.9%	78.9%

This table shows the proportion of people from a white background who received a bonus for the FY22 was 76.9% while people from an ethnic minority background this was 78.9%. It should be noted that these figures are influenced by staff joining and leaving the business during the reporting period as all staff at Newable are eligible to receive a bonus payment if the business can afford to do so. The only exception to payment is if an individual is in receipt of a disciplinary warning.

Proportion of people from a white background compared to people from an ethnic minority background per pay quartile

	Lower		Lower Middle		Upper Middle		Upper		Headcount	
White	41	74.6%	29	56.9%	40	78.4%	40	75.5%	150	71.4%
All ethnic minority groups	12	21.8%	20	39.2%	11	21.6%	11	20.6%	54	25.7%
Prefer not to answer	2	3.6%	2	3.9%			2	3.9%	6	2.9%



This shows the ethnic pay quartiles for Newable's employees based on hourly pay rates, with lowest-paid 25% of employees (the lower quartile) to the highest-paid 25% (the upper quartile). For there to be no ethnic pay gap, there would need to be an equal ratio of white staff to ethnic minority staff in each quartile.

Why do we have an ethnic pay gap?

Our mean hourly ethnic pay gap is primarily driven by a lack of representation of ethnically diverse staff at our more senior job roles; however, when comparing the median hourly pay Newable has managed to significantly decrease the pay gap.

Newable is committed to the principle of equal opportunities and equal treatment for all employees, regardless of sex, race, religion or belief, age, marriage or civil partnership, pregnancy/maternity, sexual orientation, gender reassignment or disability. It has a clear policy of paying individuals equally for the same or equivalent work, regardless of their race, sex (or any other characteristic set out above). As such, we:

- conduct regular pay and benefit reviews.
- review job roles and pay grades as necessary to ensure a fair structure.

We are therefore confident that our mean ethnic pay gap and ethnic bonus pay gaps do not stem from paying people from a white background compared to people from an ethnic minority background differently for the same or equivalent work.

What is Newable doing to address its ethnic pay gap?

Newable is committed to doing everything that it can to reduce its ethnic pay gap and we need to remember that this report is at a particular snapshot in time; on 5 April 2022.

The ethnic pay gap results for this financial year are promising as we have reduced the mean hourly pay rate and bonus gaps year on year results and eliminated any gap for the mean hourly pay rate. We will continue to take the following steps to promote ethnic diversity at Newable:

- **Flexible working policy:** this allows staff in all areas and levels of Newable to put forward a business case for flexible working regardless of their role and level of seniority, and that flexible working need not be limited to part-time working.
- **Family friendly policy:** enhanced family friendly policy to promote equality and inclusiveness to all parents.
- **Diversity and inclusion recruitment policy:** which has been in place since 2014 to eliminate unconscious bias in the selection of candidates by ensuring personal details are removed from the application process.
- **Track potential:** at all levels of the organisation to see how ethnic minorities progress in their careers. For example, tracking succession planning to promote leadership development.
- **Track candidate success rates:** regularly reporting on the success rate of ethnic minorities who apply for positions at Newable both externally and internally.
- **The 'Rooney Rule':** to ensure there is at least one candidate from an ethnic minority background who is invited to interview for any external job vacancies.
- **Internal mentoring programme:** an inclusive programme for all staff to support career development.
- **Unconscious bias training:** compulsory training for all staff to raise awareness about biases, stereotypes, and the importance of ethnic diversity at work.
- **Diversity and Inclusion policy:** zero-tolerance on discrimination, harassment and retaliation based on ethnicity.
- **Race at Work Charter:** signed up to the leadership commitment to promote ethnic diversity and inclusion

Newable continues to create an evidence base to identify any barriers to ethnic equality and to inform future priorities for action. We can report on the following:

- **the proportion of people from an ethnic minority background compared to people from a white background applying for jobs and being recruited:**
 - 2021 – 55% of people from an ethnic minority background applied for jobs compared to 45% of people from a white background; the success rate for people from an ethnic minority background was 39% compared to 61% of people from a white background.
- **the proportion of people from an ethnic minority background compared to people from a white background applying for and obtaining promotions:**
 - 2021 - the proportion of people from an ethnic minority background securing promotions was 29% compared to 71% of people from a white background.
- **the proportion of people from an ethnic minority background and people from a white background leaving Newable:**
 - 2021 - 11% ethnic minority background and 89% white background

- **the take-up of flexible working arrangements by people from an ethnic minority background versus people from a white background and level of seniority within Newable:**
 - 2021 – eight flexible working arrangements agreed of which one was from an ethnic minority background and seven were from a white background. 25% of these were people of a white background at manager level roles.

- **the proportion of people from an ethnic minority background compared to people from a white background who return to their original job after a period of family/parental leave:**
 - 2021 - 40% of people from an ethnic minority background compared to 60% of people from a white background went on family/parental leave during 2021 and returned to Newable; 100% of people from an ethnic minority background returned to the same role.

None of the above initiatives will, of itself, remove the ethnic pay and bonus gaps – and it may be several years before some have any impact at all. In the meantime, Newable is committed to reporting on an annual basis on what it is doing to reduce the mean ethnic pay gap and bonus ethnic pay gaps and the progress that it is making.

Newable also recognises, that for all employees, working habits and conditions have changed post the pandemic. As we continue to be open and transparent to new challenges, we will need to continue to always bear in mind the objective of further reducing the ethnic pay gap.

Newable

An employee-owned company

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