

UNICEF UK PAY GAP REPORT 2022



UNITED KINGDOM

unicef 
for every child

UNICEF UK believes in a better world for every child. Our work is underpinned by the United Nations Convention on the Rights of the Child (UNCRC).

The Convention sets out the rights that all children should have, regardless of their background or circumstances, to enable them to thrive. We are here for every child without discrimination – whatever their ethnicity, sex, religion, language, disabilities, opinion or any other identities. Equity, Diversity and Inclusion (ED&I) are fundamental to achieving **UNICEF UK’s vision of a better world for every child.**

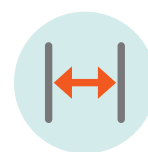
Likewise, we are working towards a culture that empowers and enables all our people to deliver their best work for children. Inclusion is embedded within our values (Our Shared Commitment) which describe the way we work together. We have been reporting on our gender pay gap for many years, and in 2022, produced our first ethnicity pay gap report (based on data from April 2021). This year, for the first time, we are also publishing disability and sexual orientation pay gaps. Although

ethnicity, disability and sexual orientation pay gap reports are not required by law, we have decided to voluntarily disclose and act on more than is mandated because we believe they play an important role in fulfilling our ED&I commitments, and we welcome transparency. We recognise the reality that marginalised groups face additional barriers to inclusion in the workplace. Removing pay gaps is an important component of our Diversity and Inclusion Strategy. And we are further breaking down our ethnicity pay gap by gender to analyse the intersection between these factors.

Our ultimate aim is to maintain gaps close to zero whilst recognising that in a relatively small organisation like UNICEF UK, factors such as staff turnover mean that we might reasonably expect to see year-to-year variations.

How we calculate our pay gaps

Our figures relate to UNICEF UK as a whole and are based on data from 5 April 2022. At this time, we employed 290 people.



- The gender pay gap is a measure of the percentage difference in the average hourly pay between men and women working for UNICEF UK.
- The ethnicity pay gap is a measure of the percentage difference in the average hourly pay between White employees and those from minoritised ethnic communities working for UNICEF UK.
- The disability pay gap is a measure of the percentage difference in the average hourly pay of employees with no disability and employees with a disability working at UNICEF UK.
- The sexual orientation pay gap is a measure of the percentage difference between the average hourly pay of heterosexual employees and lesbian, gay, bisexual, transgender, intersex, queer/questioning, asexual (LGBTIQ+) employees working at UNICEF UK.

We show two types of pay gap within each section:

The median

This is the middle value when all the values are arranged from highest to lowest, so is the best and most representative measure of any gap for the typical employee.

The mean

This shows the percentage gap in average salaries. It considers the full range of pay in the organisation. The mean is influenced more by the highest and lowest salaries in the organisation.

It is important to note the gaps reported are not a measure of equal pay. We are committed to ensuring that our colleagues are paid equally for doing equivalent jobs across our organisation. We deliver on this commitment by ensuring our reward practices are fair, transparent and equitable. This includes sharing salary ranges and the detail of our job evaluation scheme.

The Equality and Human Rights Commission supports such transparency, providing evidence connecting it with the lowering of pay gaps.

UNICEF UK does not operate a bonus scheme. Therefore, our bonus gap, which we are required to report under the UK gender pay reporting regulations, is 0%.

Our use of language

It is important to note that there are limitations to the language used and individuals may choose to identify themselves in different ways.



The gender pay gap data reflects gender identity as it is disclosed.

We use the term '**minoritised ethnic communities**' which acknowledges that people are actively minoritised within society rather than

naturally existing as a minority. Being in a minority does not determine whether one is minoritised or lacks power or privilege. Otherwise, we state the specific community we are referring to, in this case Black, Asian, Mixed heritage or Other ethnicities.

Headlines for 2022

While our data highlights some areas of progress, we have more we want to do in addressing and decreasing our pay gaps. All our pay gaps are largely driven by under-representation of the relevant population in higher-paying roles within our organisation. Achieving greater diversity in our leadership is a key goal for us – we are progressing a series of practical actions to achieve this.

Our gender pay gap has increased slightly but remains comparatively low by UK and voluntary sector standards and we have seen a reduction in our ethnicity pay gap compared to 2021.

Unlike many UK organisations, the representation of women is high at all levels of our organisation, including in our leadership roles, with women

representing more than 73.6% of colleagues in all our pay quartiles. However, we have much more to do to increase the representation of minoritised ethnic communities in leadership positions.

Our ethnicity, disability and sexual orientation data looks at smaller data sets due to smaller populations and because a proportion of our workforce do not share this information. Of those who disclosed their ethnic identity, 24% are from minoritised ethnic communities. We also reflect the national pattern in which minoritised ethnic communities are over-represented in the lower pay quartile roles and heavily under-represented in our top quartile and leadership roles. We are working hard to address this issue.



Our commitment and actions



Since our last report we have implemented further changes to maintain and ensure true equality in work and pay arrangements and to further close our pay gaps at UNICEF UK. It often takes a few years for changes to fully take effect and many will not yet have impacted our pay gaps (which are calculated using data from April 2022).

We will continue to:

- Fund the **upward movement of employees** at lower positions in their pay ranges relative to the market position. This benefits less experienced employees lower in their pay range, and women who tend to have shorter average service than men and so are more likely to be at a lower position in their pay ranges.
- **Embed our Work-Life Policy** to support being a consistently high-performing organisation, where wellbeing is of paramount importance. We trust colleagues to plan where and when they work, ensuring that work patterns are shaped by the demands of roles and teams as well as an individual's health, caring or other commitments at home.
- **Embed our Early Moments Leave Policy** which equalises our parental leave and pay provisions for all employees – giving 52 weeks leave and pay for 39 weeks at different rates to all employees who are new primary caregivers. This is regardless of gender or sexual orientation or the route to parenthood. Women's disproportionate responsibility for care and domestic labour impacts their ability to enter, return to or progress at work on an equal footing with men. Through parental leave and progressive policies, we're addressing gender stereotyping and ultimately this should help us in reducing and removing the gender pay gap.

To support us to become inclusive by design, we have:

- Strengthened our approach to **inclusive recruitment** including introducing an anonymous, evaluative application process. This has produced good results – 43% of all new colleagues appointed by quarter 3 in 2022 are from minoritised ethnic communities.
- Developed **new policies for menopause and inclusive leave**.
- Begun work towards becoming a **disability confident employer** and enhanced our comprehensive approach to **wellbeing**.
- Developed inclusion action plans within each department, to strengthen ownership of ED&I.
- Commissioned an external consultant to **conduct a review of racism in our organisation**. As a result of this, we are setting a number of commitments and plans, which incorporate strengthening our colleague networks, enhancing our learning provision, reviewing how concerns are reported and dealt with and launching an inclusive approach to talent management.

To increase our transparency and accountability, we have:

- Revised our ED&I governance structure, appointing a sponsor at Executive Team and Board level, as well as implementing robust monitoring and reporting. 97% of colleagues believe that their directorate recognises the importance of inclusive practice and its role in delivering the best work for children, an increase of 8% from 2021's survey.

Our commitment and actions



To ensure that UNICEF UK has the knowledge and confidence to engage with ED&I topics, we will continue to:

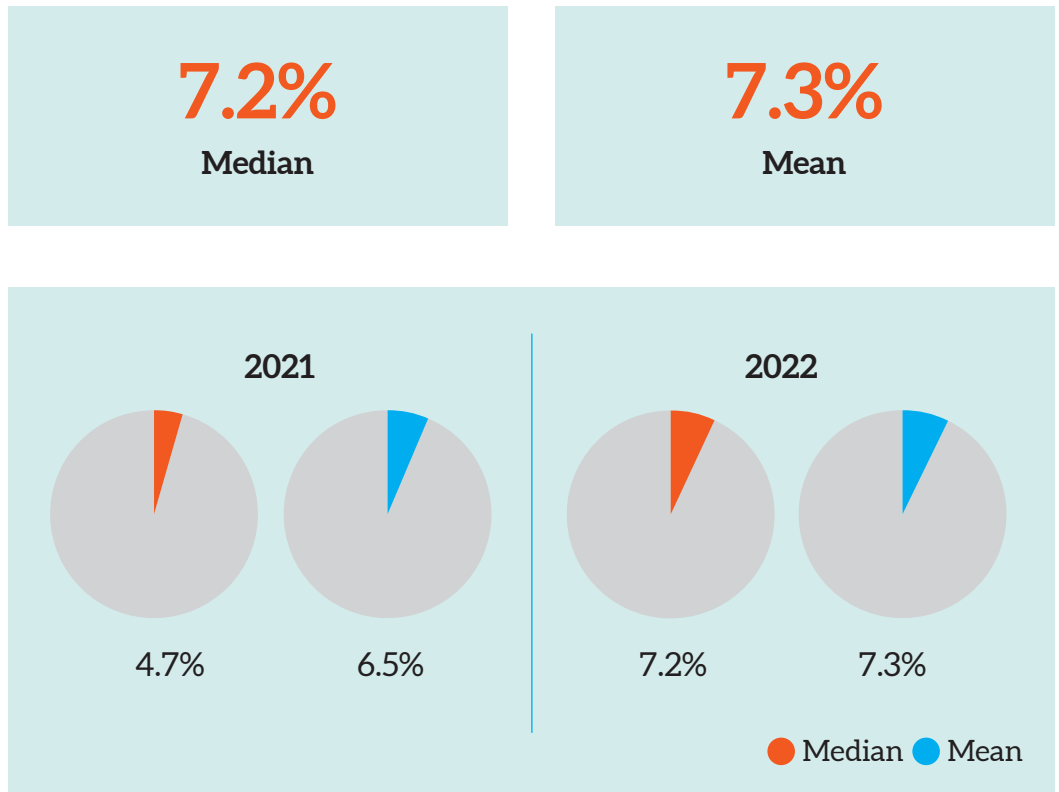
- Deliver a learning **menu** with a focus on inclusive behaviours, anti-racism and inclusive leadership and creating spaces for related conversations.
- Provide specific **leadership inclusion training**. Colleagues increasingly perceive senior leaders as valuing and embedding ED&I into their ways of working – 94% believe their Executive Team Leader takes inclusive practice seriously, 20% higher than in 2021.
- Develop our active networks (Racial Justice Network, Gender Network, Disability Network, LGBTQIA+ Network, Wellbeing Champions and Inclusion Champions) and ensuring that minoritised communities are better represented when we are making important decisions.

We have also set our Equity, Diversity and Inclusion priorities for 2023, which we expect to support us reaching our goals and reducing our pay gaps:

- Developing a new ED&I Strategy
- Developing our action plan in response to our Anti-Racism Review
- Developing a shared framework of inclusive language
- Enhancing accessibility and disability inclusion
- Launching a new inclusive talent strategy

GENDER

We have reported a slight increase this year in both median (7.2%) and mean (7.3%) pay gaps.



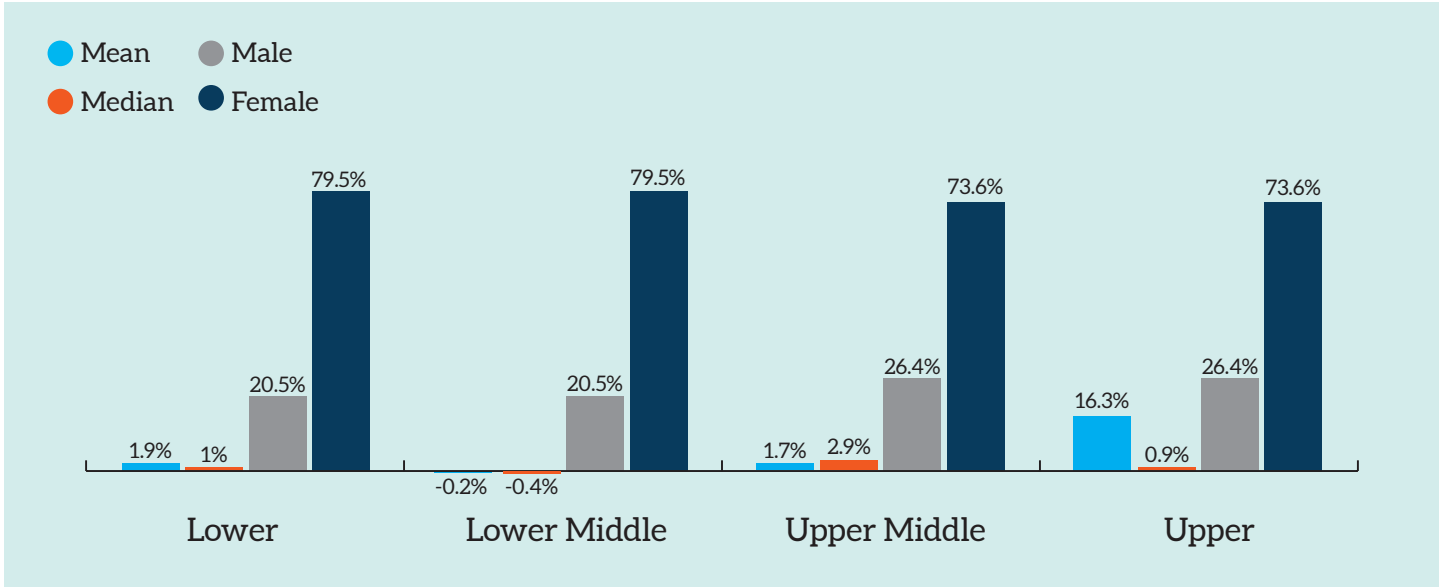
Our gender pay gap remains significantly lower than the UK whole-economy median level of 14.9% reported by the Office for National Statistics (ONS) Annual Survey of Hours and Earnings, 2022. It is also much lower than the not-for-profit sector's 18.4% median and 15.3% mean reported in the ONS survey.

While we want to remove the gap and the influence of gender on our pay levels every year, in a relatively small organisation, factors such as staff turnover mean that we might reasonably expect to see year-to-year variations of up to 5%. To an even greater extent, we might see changes in the gaps across the pay quartiles. Our analysis of the increased gap points to the differential in the upper quartile, a result of male appointments in senior posts.

Gender pay quartiles

A pay quartile represents a quarter of the workforce, ranked by their hourly pay rate to show the distribution of men and women across the range of pay in the organisation. Across the UK economy, men are over-represented in the top quartile and the highest paid jobs while are more prevalent in the lowest paying roles in the bottom pay quartile. This is a major cause of the gender pay gap for many employers.

This table shows the gender pay gap in each quartile in columns 1 and 2, and the proportion of men and women at UNICEF UK in columns 3 and 4.



Our overall proportion of men and women is 23% and 77% respectively and we have strong representation of women in all quartiles. Compared to last year, the proportion of women remained constant or increased in the lower and upper middle quartiles. It decreased in the lower middle quartile (by 5.8 percentage points) and upper quartile (by 2.1 percentage points).

However, the pay gap data highlights that the main driver of our overall gender pay gap is higher male pay levels in the upper quartile of jobs. Compared to last year the median pay gap increased slightly in the upper middle quartile (by 1.4 percentage points) and the upper quartile (by 0.5 percentage points). The mean pay gap in the upper quartile increased by 5.5 percentage points.

ETHNICITY

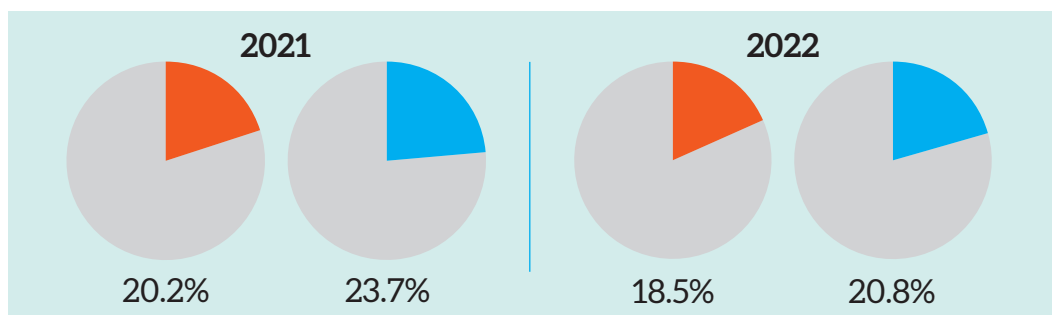
The proportion of colleagues disclosing their ethnicity has increased slightly since last year from 91.3 % to 92.7%. The figures below are based on the breakdown of people who shared their data.

Our ethnicity pay gap overall has decreased but is still significant at a median of 18.5%. The pay gap specifically for black colleagues has seen an increase of 2.3 percentage points. Black colleagues currently have the largest ethnicity pay gap and this is in line with the latest national 2019

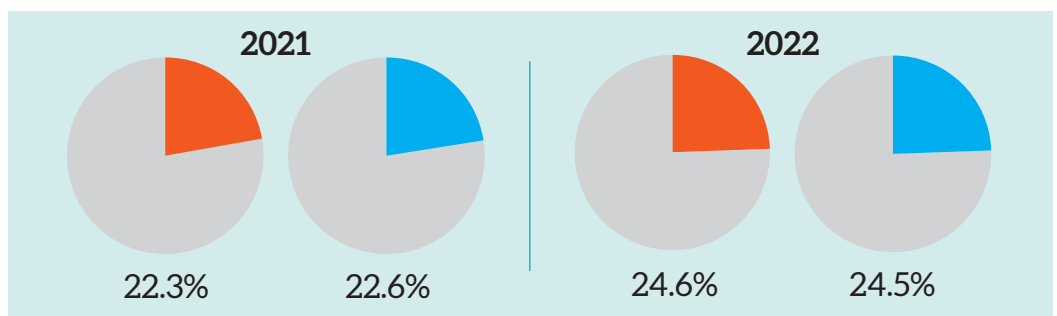
ONS data. The pay gap for Asian colleagues also increased slightly (by 0.5 percentage points). The pay gap for colleagues of Mixed heritage and all other minoritised ethnic communities decreased significantly (by 6.3 percentage points).

● Median ● Mean

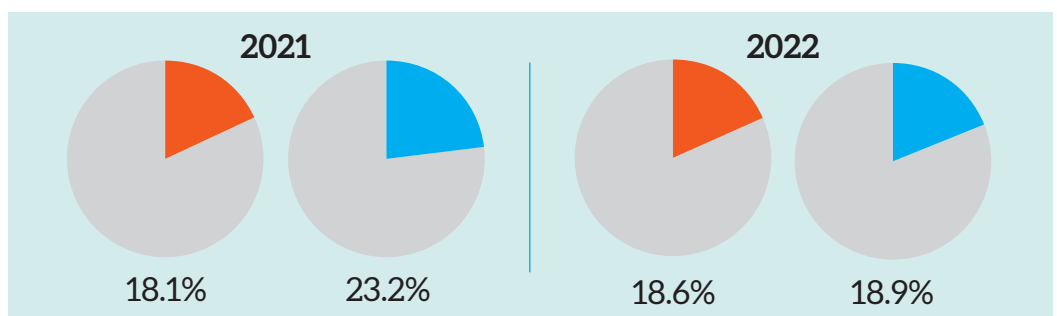
Ethnicity pay gap for all minoritised ethnic communities



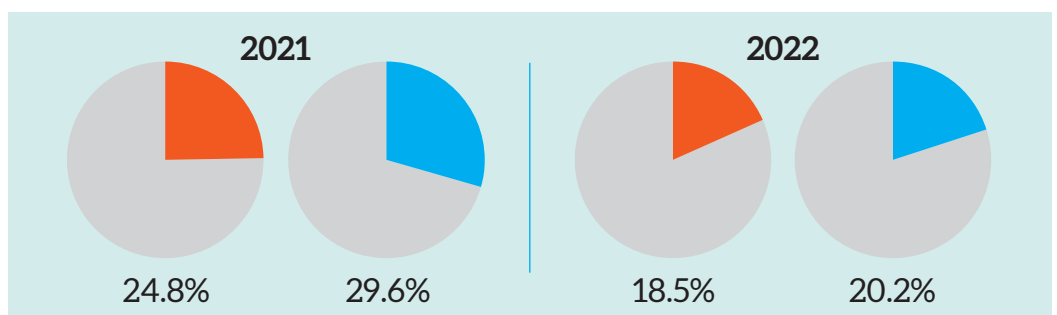
Ethnicity pay gap for Black colleagues



Ethnicity pay gap for Asian colleagues



Ethnicity pay gap for colleagues from other minoritised ethnic communities (including Mixed heritage)

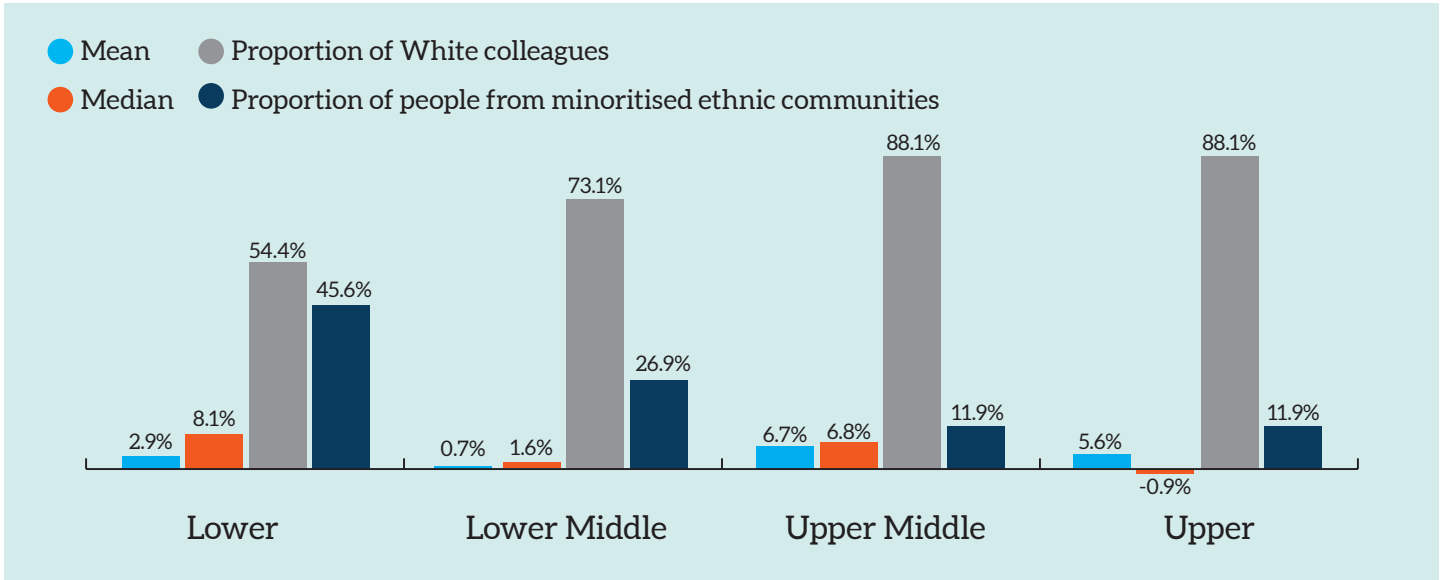


The pay gaps exist as a result of far fewer colleagues from minoritised ethnic communities, particularly Black colleagues, in leadership positions.

Ethnicity pay quartiles

A pay quartile represents a quarter of the workforce ranked from the lowest to highest by hourly pay. The pay quartiles are then broken down by ethnicity.

The proportion of colleagues who are White and proportion who are from minoritised ethnic communities in each quartile at UNICEF UK are as follows:



Even though the median pay gap in the lower quartile has fallen by almost 3 percentage points, the largest gap remains in this quartile, and we will need to do further analysis to understand this gap and identify actions to address it. It is positive to note that in the upper quartile, where we have fewer people from minoritised ethnic

communities, the median pay gap is -0.9%, that means our minoritised ethnic community colleagues earn slightly more on average than White colleagues at this level. However, it is ultimately the lack of representation of minoritised ethnic communities at this level which results in our 18.5% median pay gap.

INTERSECTIONALITY: GENDER AND ETHNICITY

There is a lot of evidence that pay gaps are inter-related and so being in more than one minority group can significantly magnify the size of the pay gap. We have reviewed gender alongside our three largest populated ethnicity groups and can report on the following median pay gaps.

- Men from a minoritised ethnic community and White men (22.6%).
- Asian men and White men (25.7%).
- Black women and White women (25.7%).
- Women from minoritised ethnic communities and White women (18.4%).
- The data sets were too small to be relied upon for Black men and White men this year and we must preserve the confidentiality of individual employee data.

These gaps are much higher than we would want and something we are working to improve. This is the first year in which we have analysed and reported on intersectionality within our ethnicity pay gaps and we have further work to do to understand their causes. As we build our understanding, we will be better able to target more effective actions to help close these gaps. Due to the small sample sizes in some groups, the impact of an individual employee joining or leaving can be significant and so we can expect to see more year-to-year variations in the ethnicity figures compared to the gender pay gap analysis.

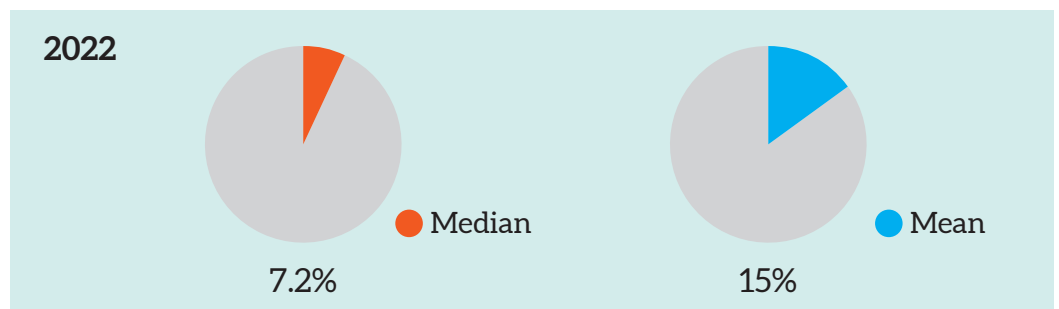
DISABILITY AND SEXUAL ORIENTATION PAY GAPS

As part of our strong commitment to inclusion, we are also publishing our first disability and sexual orientation pay gaps.

Given the small size of these populations the data can't be shared by quartiles, which impacts the level of analysis we can provide. We are working to increase disclosure levels for sexual orientation and disability.

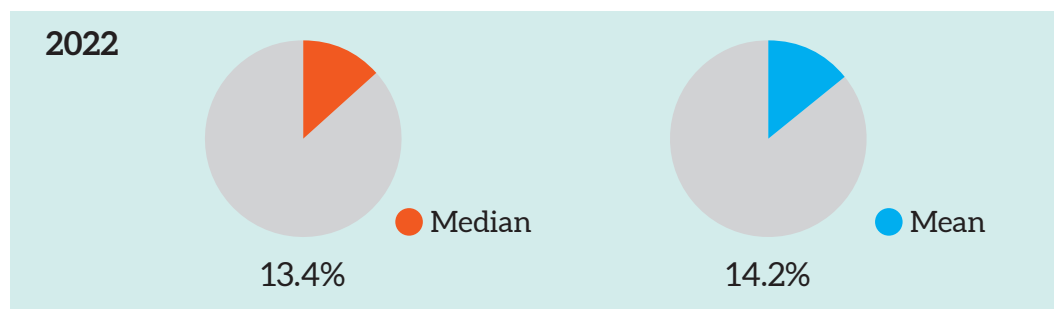
We are aware however that actions put in place to reduce gaps for other protected groups almost certainly will have an impact on reducing the following gaps too.

Sexual orientation pay gap



It can be seen that heterosexual employees at the median earn 7.2% more than their LGBTIQ+ colleagues.

Disability pay gap



The Office of National Statistics report a 13.8% national disability pay gap in 2021. The TUC analysis reported a larger gap of 17.2% in 2022.

We want to drive systemic change and continue becoming a more equitable organisation. Equity, diversity and inclusion are fundamental to achieving UNICEF UK's vision of a better world for every child. We are here for all children without discrimination – to protect and uphold their rights. And we mirror that ethos in our ways of working, our culture and our ambition.

Jon Sparkes
Chief Executive