

Ethnicity Pay Gap

Report 2022



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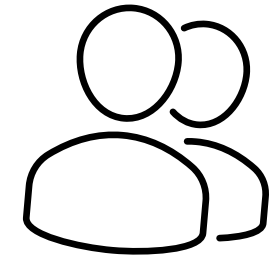
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Our ethnicity pay gap

Our journey to close the gap

This year we voluntarily published our first ethnicity pay gap (EPG) report to be transparent on the work we are currently doing to develop the diversity of our workforce and benchmark where we are now for comparison in future years.

We evaluate and track our ethnicity pay action plan (EPAP) to measure impact. We will be brave in reporting what didn't work - and we will be relentless in our pursuit of reducing the gap. Our ethnicity pay gap actions will be aligned to our Equity, Diversity and Inclusion policy to elevate our culture from inclusion to one of belonging.



2022

2023

2024-2027

2030



Gasway will be joining the same HR system as the rest of Flagship Group, allowing for greater self-disclosure of ethnic background. We'll continue to work towards reducing our ethnicity pay gap by completing our identified milestones, creating initiatives to promote disclosure of ethnicity and our commitment to the Change the Race Ratio.

We have a sustained culture of belonging where our employees are comfortable bringing their whole selves to work. They are completely engaged, and we have teams that are ethnically diverse across all levels of the organisation and are representative of the communities we serve. And we no longer have an ethnicity pay gap.

What is an ethnicity pay gap?

An ethnicity pay gap is the average difference between the hourly earnings of 'White British' and 'ethnically diverse' employees, regardless of the role they occupy, as of 1 November each year. It is not the same as equal pay, where White British and ethnically diverse employees are paid differently for doing the same or similar work.

How is it calculated?

Mean

The mean is the average hourly pay gap between White British and ethnically diverse employees (regardless of role or seniority).

Median

Median is calculated by analyzing salary data for all employees in the relevant business areas and comparing the middling salary for an ethnically diverse employee against the middling salary for a White British Employee.



Methodology

How has the data been organised?

In the absence of any formal guidance for ethnicity pay gap reporting, we have chosen to compare the pay of our 'White British' employees with that of our 'ethnically diverse' employees. We recognise the importance of reporting on each ethnic group individually, however, to provide anonymity we have chosen to initially publish our figures in this way. Our initial pay gap analysis does not include any bonus pay gap, which is only relevant to Gasway

White British

Within this report 'White British' is used to refer to all employees who have self-identified as the ethnic group 'White British' within equality monitoring

Ethnically diverse

Within this report 'ethnically diverse' is used to describe all employees who have self-identified as any ethnic group apart from 'White British' within equality monitoring. This includes all other 'White' ethnic groups.

Undisclosed

This is used to refer to any employee who has chosen not to disclose their ethnicity.



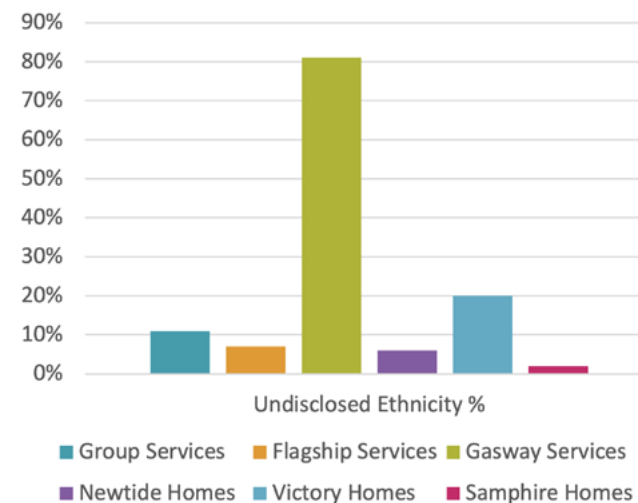
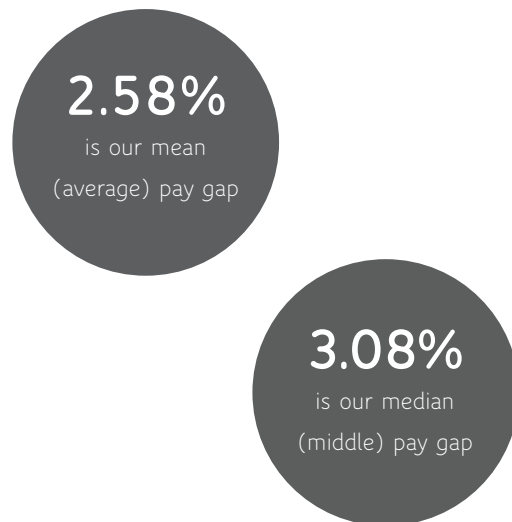
Summary

This data has been compiled using people data for Flagship Group and Gasway as of 1 November 2022. Due to the high instance of 'undisclosed ethnicity' data within Gasway we have chosen to include them within the overall Flagship Group pay gap to ensure anonymity for those who have disclosed data within Gasway.

Flagship (inclusive of Flagship Services and Gasway) has a mean pay gap of **2.58%** and a median pay gap of **3.08%**. As of 1 November, Flagship employed 1522 people, 1046 of which are White British, 73 are ethnically diverse and 403 are undisclosed.

Undisclosed ethnicity data currently makes up 26.4% of all employees across all business areas. Gasway currently has the highest instance of 'Undisclosed Ethnic Group' sitting at 81%, due to being on a different HR system to the rest of Group. The two highest areas of undisclosed data

in the rest of Flagship are, Victory Homes at 20% and Group Services at 11%. The salaries of those with undisclosed ethnicities have not been taken into consideration in pay gap calculations but have been included in charts to benchmark where we are currently.



At Flagship Group, we know that our Ethnicity pay gap is not due to paying White British and ethnically diverse employees differently for doing the same or equivalent work.



Our ethnicity pay gap results

Our workforce profile 2022

73

Number of ethnically diverse employees

1046

Number of White British employees

403

Number of employees with 'undisclosed' ethnicity data

2.58%

Mean (average) ethnicity pay gap

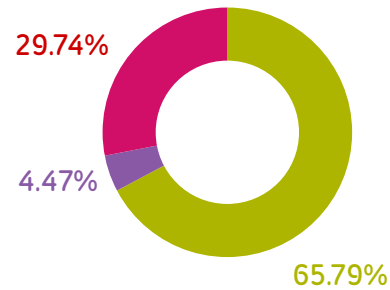
3.08%

Median (middle) ethnicity pay gap

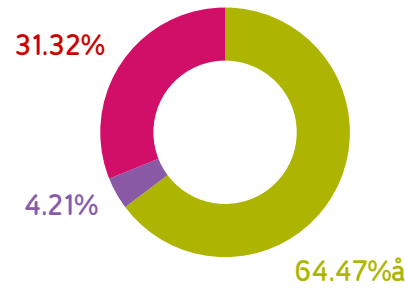
Our pay quartiles*

2022 ■ White British ■ Ethnically Diverse ■ Undisclosed Ethnicity

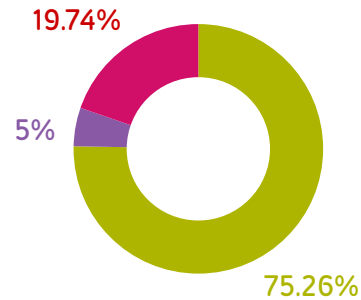
Upper



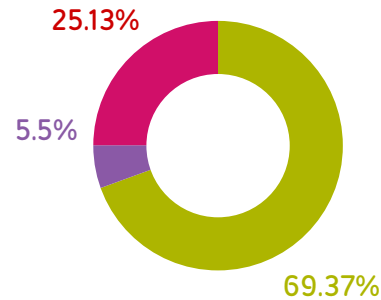
Upper Middle



Lower Middle



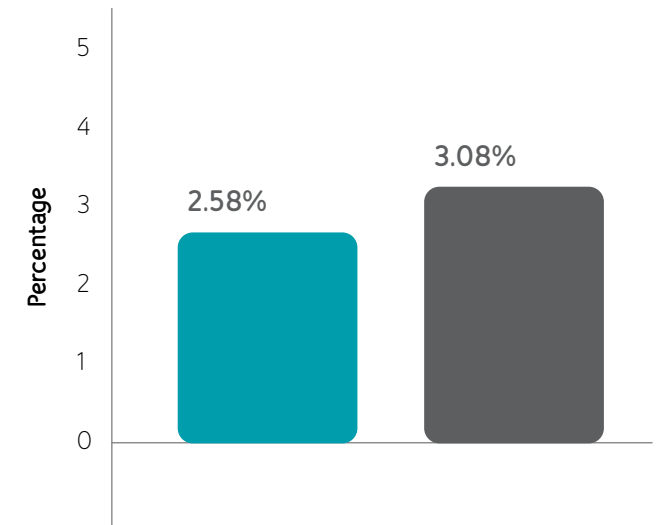
Lower



Ethnicity hourly pay gap

Hourly difference in pay between White British and ethnically diverse employees, regardless of role or seniority

2022 ■ Mean ■ Median



*Our pay quartiles do not indicate a pay equity issue; they demonstrate how many people from each ethnicity category fall within each of the four pay quartiles.

Our ethnicity pay gap action plan

Our focus on reducing our ethnicity pay gap is split into four key areas, Recruit, Retain, Develop and Review.



Recruit

- In 2021/22 we rolled out Inclusive recruitment training to HR teams.
- We have introduced an Applicant Tracking System to our recruitment process which supports anonymised recruitment to reduce unconscious bias within recruitment decisions.
- All interviews are carried out by a gender-balanced interview panel where possible, to further reduce the risk of unconscious bias
- We are currently delivering a programme of recruitment training to all line managers which focuses on inclusive recruitment and workplace diversity.
- In April 2022, we recruited a dedicated Equality, Diversity and Inclusion Manager to progress our ED&I agenda.
- We will further develop our regional partnerships to enable us to engage equally with potential future

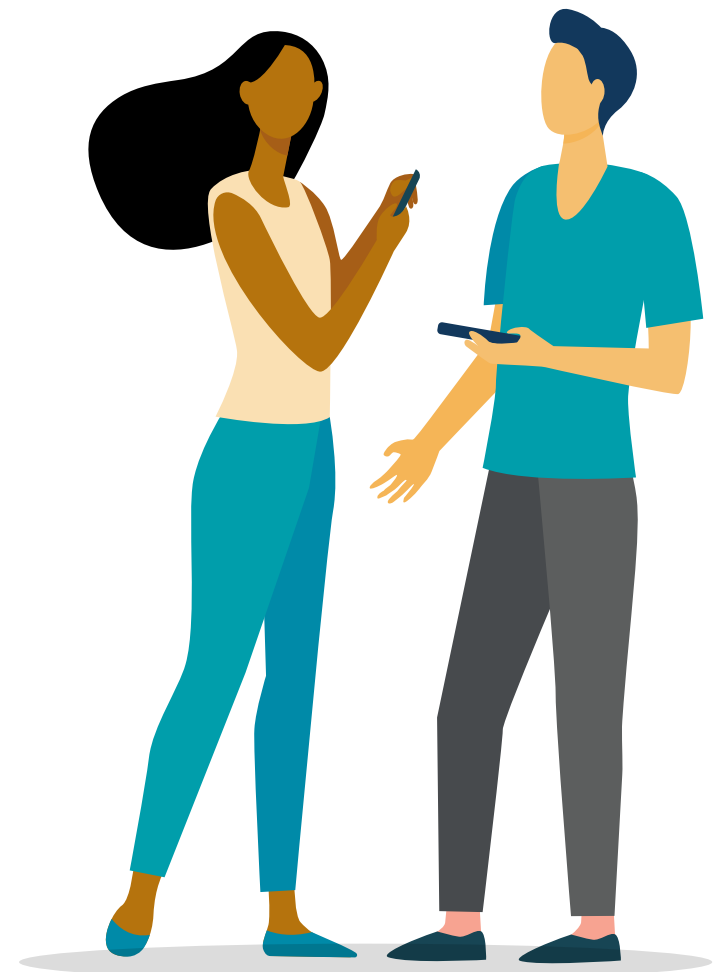
applicants of all ethnic groups and address social mobility challenges.

- We are committed to ensuring the imagery and language of our external communications are inclusive and ethnically diverse.



Retain

- We have reviewed our Equity, Diversity and Inclusion Policy; this is supported by an action plan which includes initiatives that promote open discussions and sharing of diverse cultures.
- We will continue to ask employees what additional benefits they would like to see within our annual staff engagement survey and equality monitoring survey 'This is Me'.
- Reward, Recognition, Promotion and Career Development is based on individual contribution and output and is considered as part of our Talent Management Process with employees.



Develop

- We deliver unconscious bias training to all staff to support effective decision-making in our hiring, promotion and succession planning activities.
- We delivered Anti-Racism workshops for senior leaders in October 2022 and will launch an e-learning module available to all staff in 2023.
- We launched ED&I refresher training for all employees focusing on the protected characteristics and intersectionality (intersectionality describes the ways in which inequalities related to protected characteristics, as well as other forms of discrimination, “intersect” to create unique dynamics and effects).
- We will continue to use training and development solutions to reduce any skills gaps with individuals and roles, regardless of ethnic background.
- As part of our continued commitment to education, we actively supported Black History Month with a programme of development opportunities.
- We will be launching diversity networks to celebrate and educate our teams on race and ethnicity.
- As part of our commitment to achieving the Domestic Abuse Housing Alliance (DAHA) Accreditation, we will increase staff training on the impact of race and intersectionality on domestic abuse.

Review

- We will monitor our ethnicity pay gap quarterly to track our changes periodically throughout the year and provide insight as to the impact of our action plan.
- We will monitor the progression of both White British and ethnically diverse employees within Flagship through our talent management framework.
- We will periodically review our progress towards our ‘Change the Race Ratio’ commitments and share them with the CBI.



What's next?

We have voluntarily chosen to analyse our ethnicity pay gap (EPG) to understand the impact of our work so far and to set a benchmark for future years. We have identified that the greatest impact on our EPG is the level of disclosure within our data. We are passionate about increasing disclosure to enable us to truly understand our EPG. To do this we have plans to streamline systems and reporting and introduce campaigns focusing on the importance of disclosure. We have created an action plan to support our ambition to eradicate the gap entirely by 2030, and this will be reviewed quarterly as our disclosure levels increase.

To support our commitment, we will strive to attract more diverse talent, particularly for roles within the upper pay quartiles. We will continue to review the language and imagery we use to advertise our roles, whilst also considering where and how we advertise our jobs. We will continue to focus on our school

engagement and Apprenticeship programmes to increase diversity within Flagship over time. We will continue to advance our published ethnicity pay action plan and develop this throughout our journey to solve the housing crisis in the East of England; eradicating our EPG along the way.

We are confident that our Equality, Diversity & Inclusion Policy, together with the work that our Equality, Diversity and Inclusion Manager does alongside HR and line managers, will enable us to further embed a culture of belonging for our people. Linking our ED&I ambitions with our EPG commitments will provide us with a greater insight into the barriers ethnically diverse employees face at any point in their career and will further our understanding in what else we need to do to create a more ethnically diverse workforce.

We are passionate about reducing our ethnicity pay gap and will continue to progress with our actions to eradicate the pay gap entirely by 2030.





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